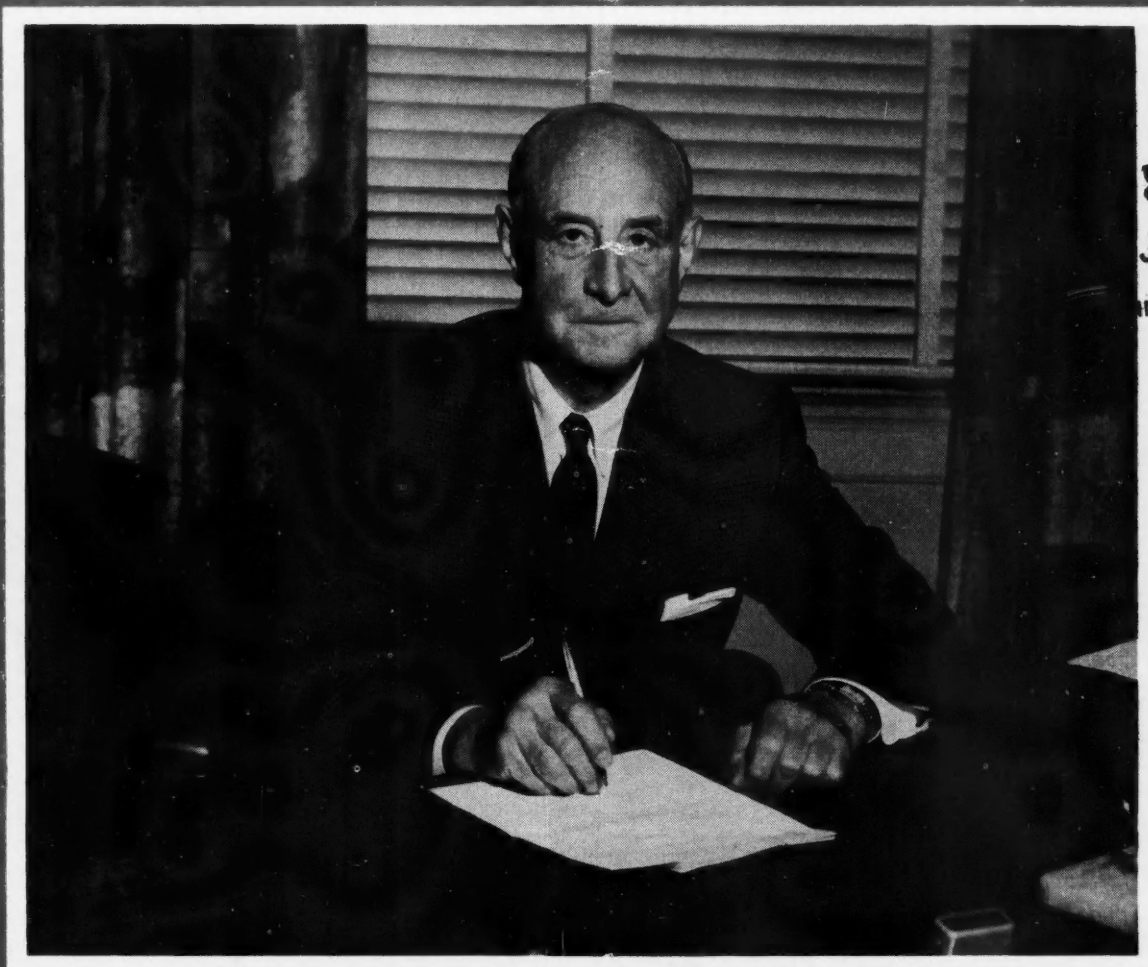


**CREDIT
AND**

FINANCIAL MANAGEMENT



UNIVERSITY
OF MICHIGAN
JUN 26 1960
LIBRARY

JULY 1960

NUMBER 7

VOLUME 62

Counseling That Marginal Customer

Pushbutton Typing Halves the Costs

Help Credit Grow: Executive Credo

The Cover Picture: Ralph E. Brown

See Page 12

Without Vision . . .

. . . credit and financial executives cannot expect to cope with the constant changes now taking place in the field of credit.

As Successful Credit and Financial Executives . . .

. . . you know the value of continuous research and education and will want to use the services available to you through active participation

in

THE CREDIT RESEARCH FOUNDATION

The educational and research affiliate of N.A.C.M.

The Research Program

Surveys

Accounts Receivable
Economic Trends
Credit Practices

Recent Studies

Credit Management Handbook
Financing Industrial Equipment Leases
Small Business Investment Act

The Educational Program

Graduate School of Credit and
Financial Management
Dartmouth and Stanford

National Institute of Credit
Correspondence Courses

Nationwide Program of Credit
Management Workshops

Educational Programs at Local
Association Level

*For further information
Clip and mail this coupon today*

**Managing Director
Credit Research Foundation
44 East 23rd St., New York 10, N. Y.**

Please send me further information about
The Credit Research Foundation

Name
Company
Street
City

Your Membership

in

**THE CREDIT RESEARCH
FOUNDATION**

**will help promote
A Sound Program of
Credit Management
For You**

Editor's Mail

Handbook in Australia

"I have pleasure in enclosing a bank draft for \$6 being the subscription for your publication CREDIT AND FINANCIAL MANAGEMENT.

"The CREDIT MANAGEMENT HANDBOOK of the National Association of Credit Management is being used as the main textbook for a course on Credit Management which has just commenced in Adelaide. It is quite a comprehensive course extending over a period of four years and covers accounting subjects such as Mercantile Law, Company Law and Bankruptcy Law, in addition to the credit work itself. You will be pleased to hear of the high regard in which the Handbook is held in this State."

B. S. WALKER

Mutual Acceptance Company Ltd.,
Adelaide, South Australia

Counseling Pays Dividends

"In the March 1959 issue of CREDIT AND FINANCIAL MANAGEMENT it was my pleasure to write an article about a problem in credit that we had worked with for some time.

"I thought that it might be of interest to you to know that that firm had a very satisfactory year in 1959, and since August of 1959 has paid its obligations to us in full each month from the receipt of current estimates.

"The firm has now completely recovered and we anticipate watching its progress even further."

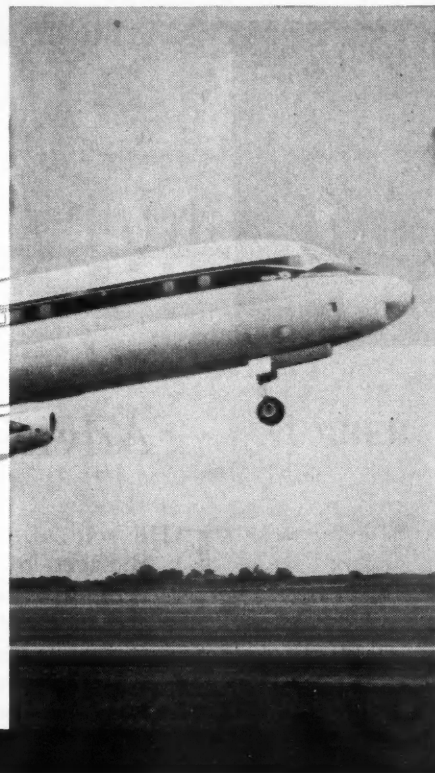
JOHN E. DONOVAN

Assistant Vice President, First American National Bank, Nashville, Tenn.

Did You Know That—

the Federal government last year collected \$12.5 millions in taxes, penalties and interest as a result of tips from 708 informers who received awards averaging \$588? The government turned down claims of 4,394 additional informers, says Commerce Clearing House.

You
wouldn't
build
half an
airliner . . .



Like an airliner, a business transaction isn't worth much until it's completed . . . when your invoice is paid. After you've made the sale and the shipment, AMERICAN CREDIT INSURANCE helps you finish the job . . . *completes* your profit cycle . . . *protects* your capital investment in accounts receivable.

The one thing that permits *deeper* market penetration is security . . . the security of commercial credit insurance. AMERICAN CREDIT INSURANCE facilitates sales progress . . . helps you *add more* new customers, *sell more* to present customers . . . by elevating lines of credit with security and stability.

Is *your* credit insurance policy up-to-date?

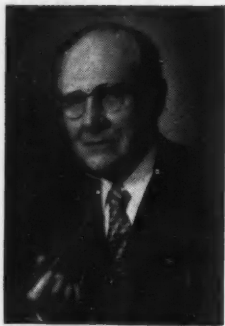
**Extend your market penetration . . . your
profit protection . . . with American
Credit Insurance**



... commercial credit
insurance exclusively
since 1893

Call your insurance agent . . . or our local office. Send for informative booklet on the many sound advantages of modern credit insurance. Write AMERICAN CREDIT INDEMNITY COMPANY of New York, Dept. 47, 300 St. Paul Pl., Baltimore 2, Md.





EDITORIAL

Advising the Retailer on Credit

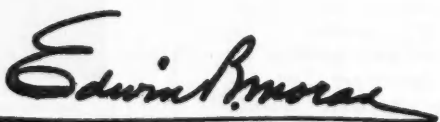
THE role of the credit executive is multiple. In addition to being the "Manager of Credit Sales" and "Investment Counselor", he must be guardian of accounts receivable and customer counselor and an educator.

A merchant well informed in the management of his credit and collection activities will minimize the everyday problems of his supplier credit manager and will maintain his financial affairs in a more sound condition.

Recently we were asked to provide a set of rules that might be passed along to merchants. Perhaps they will help you. We suggested:

1. Know your customer before accepting his credit.
2. Insist upon references and investigate them before accepting credit of strangers.
3. When the prospective customer hesitates to give references, hesitate in giving a line of credit.
4. Explain that it is necessary to know when to expect payment in order to meet your own bills.
5. Show that, by discounting your own bills promptly in 10 days, you are able to sell goods at the lowest price, and that by paying cash you often can pick up bargains which you can pass on to your customers.
6. Send out your statements promptly every week, or two weeks, or every month, according to the arrangement with your customers.
7. Insist upon full payment every month or request that your customer call and see you personally, before you grant a longer extension of time.
8. Don't let your customers decide when they want to pay their bills. That's YOUR job.
9. Remember that the possible loss of a few customers who won't pay promptly is offset by the advantages of prompt payment.
10. Don't be satisfied with merely a financial rating on a customer. Learn something of his character and general reputation.
11. Study your customers and don't trust those who leave a bad impression.
12. Have the courage to say "NO." Thousands of merchants have lost thousands of dollars because they would not say "NO."
13. Never abandon hope of collecting an old account.
14. Try sending statements to only your surest customers. Use one of your clerks for the collection of others.
15. Personally examine every uncollected account and accept only a legitimate reason for the failure of your customer to pay promptly.
16. Help to eliminate the "dead-beat" by giving careful and prompt attention to all requests you may receive for credit information.
17. Use and boost your credit bureau.
18. Make sure your bookkeeping is accurate, that every charge is made correctly. Don't let your customers be the first to discover the errors.

Whenever you have the opportunity, discuss these rules of good credit procedure with your customers, then watch their business and your sales grow!


EXECUTIVE VICE PRESIDENT

In the News

DAVID BOLLMAN, credit sales manager Joseph Horne Company, Pittsburgh, has been elected chairman, credit management division, National Retail Merchants Association.

GEORGE A. HEWITT, partner in Lybrand Ross Bros. & Montgomery, Philadelphia, has been named president of the National Association of Accountants.

WARREN C. LARSON, of Larson Cement Stone Company, Omaha, has been elected to the board of directors of the National Concrete Masonry Association.

JOHN ROBERTSON is president of Robertson Heating Supply Company, Cleveland, which has been selected by *Supply House Times Magazine* as "Wholesalers of the Year—1959".

WILLIAM F. TEMPLIN, Meredith WOW Inc., has been elected president of the Omaha chapter of the National Office Management Association.

ROBERT REYNOLDS, of Wallace M. Reid Company, Pittsburgh, has been elected president of the Association of Trustees of Pennsylvania State College.

H. EARL WARREN, Artcraft Linoleum & Tile Company, Denver, has been elected president of the Western Floor Covering Association. Mr. Warren is an active member of The Rocky Mountain Association of Credit Men.

DWIGHT L. DANNEN, president of Dannen Mills, has received the Civic Service Award presented by the Chamber of Commerce of St. Joseph, Mo.

C. H. RITTER of Denver has been elected president of the National Association of Surety Bond Producers.

JAMES T. O'BRIEN, of Coleman & Co., has been elected president of the Esquire Credit Club, New York, succeeding GEORGE S. SAYLOR of John P. Maguire & Co., who was named chairman of the board of governors.

FINANCIAL MANAGEMENT

General Manager, Edwin B. Moran
Official Publication of The National Association of Credit Management

VOLUME 62

NUMBER 7

IN THIS ISSUE

Advising the Retailer on Credit <i>Editorial by Edwin B. Moran</i>	Page 4
Customer Counseling Helps Sell Marginal Account on Value of His Credit Executives, in Chapter II of CFM Symposium, Emphasize to Customer That He Controls His Credit; Personal Visits Establish Friendly Relations, But Discretion Is Advisable in Counseling; Patience Is Prerequisite in Handling Past-Dues; "You" Approach Is Underscored	8
Help Credit Grow, Is Management Credo of Ralph E. Brown; Profile of New President of National Association of Credit Management	12
Automatic Pushbutton Typing Cuts Time and Personnel Costs in Half	16
The 64th NACM Credit Congress Six Pages of Pictures of Convention at St. Louis, beginning on Page 20; Membership Awards Pages 24 and 25; Article Starts Page 27; President Holmes Reports, P. 29; President-Elect Brown Sees Glowing Decade Ahead, P. 31; Resolutions Adopted, P. 32; Credit Research Foundation Elects Irwin Stumborg, P. 33; Credit Women's Year, P. 34; NACM Officers and Directors, P. 35; Blake's Greetings, P. 36; Heart Specialist Tells Quick Way to Qualify for Coronary Club, P. 39	20

DEPARTMENTS: Editor's Mail, Page 3—Washington, Page 6—Management at Work, Page 14—Book Reviews, Page 18—Efficiency Tips, Page 18—Keeping Informed, Page 18—On the Personal Side, Page 19—Modernizing the Office, Page 26—Calendar of Events to Come, Page 41—Personnel Mart, Page 41—Reports from the Field, Page 42

EDITOR Ernest A. Rovelstad
ASSOCIATE EDITOR Lillian Bermont

CONTRIBUTING EDITOR Carl B. Everberg, Atty.

ADVERTISING & BUSINESS MANAGER Edwin B. Moran

ADVERTISING REPRESENTATIVES

Send copy and plates to 44 East 23rd St., New York 10, N. Y.

Chicago, Ill.—Russell Smith, 205 West Wacker Drive, Chicago 6. Phone: DEarborn 2-5091.

New York, N. Y.—Irving Mallon, 270 Madison Ave., New York 16, N. Y. Phone: MUrray Hill 9-0700.

Published monthly on the 20th of month preceding date of issue by the National Association of Credit Management, 8rd St. and Hunting Park Ave., Philadelphia 40, Pa.

Second class postage paid at Philadelphia, Pa.

Subscription price \$5.00 a year, 50¢ per copy; Canada, \$5.50; all other countries, \$6.00 postpaid. Copyright 1960 by the National Association of Credit Management, which is responsible only for official Association statements and announcements printed herein. Printed in the United States of America.



Editorial, Advertising and Executive Offices: 44 East 23rd St., New York 10, N.Y. OREGON 4-5100. Midwest Office: 33 So. Clark St., Chicago 3, Ill. ANDover 3-3096.

(Address all editorial and advertising material to the New York Office.)

Publication Office:
3rd St. and Hunting Park Ave.,
Philadelphia, Pa.



Washington

❖ A NEW temporary Federal debt ceiling of \$293 billions, \$2 billions less than the one expiring June 30th, was approved by the House ways and means committee. Extension of the present corporate and excise tax rates for another year, part of the same measure, also was approved, all by voice vote.

The committee decisions, in line with the Administration's program, would continue the corporate tax rate at 52 per cent as well as the current excise tax rates on autos, tobacco, liquor, local telephone calls and passenger transportation. The committee defeated attempts to change the present 10 per cent excise levies on local phone calls and passenger fares. No amendments will be permitted on the floor when the House votes on the bill. However, a tussle may come when the Senate acts on the phone and fare taxes.

The Administration had opposed last year's Congressional action which would have permitted the phone tax to expire and the fare tax to drop to 5 per cent, both in case no specific action were taken to extend the two taxes.

Among House members were reports that the Senate might delete the phone tax and make up that loss of revenue by repealing the 4 per cent credit permitted on all dividends above the excludable first \$50. Against such a move, Senator Harry F. Byrd (Dem., Va.), finance committee chairman, was reported ready to propose a withholding tax on dividends.

The permanent debt ceiling is \$285 billions. The Treasury calls a larger temporary ceiling necessary to offset the seasonally heavy indebtedness in the second half of the year.

❖ REDUCTION of discount rates from 4 per cent to 3½ per cent was authorized for two of the 12 Federal Reserve Banks by the System's board of governors, and the 10 others are expected to have followed suit by the time the ink dries on this issue. The discount rate is what Reserve banks charge on loans they make to commercial banks.

The move reflects FRS cognizance of lessened inflationary psychology and confirms the System's reducing pressure on bank reserves since the year opened, though this positive public action had been held off because of the early but unrealized predictions of a boom year. There

followed a series of backing and filling in the economy: the negative statistics of March, the April upturn, the Summit Conference fiasco but no rush to stock up in expectation of shortages, pointing to a solid foundation of the economy.

Economists doubt there will be any recession this year, though agreeing that the economy has lost a bit of momentum, mirrored by unchanged levels of industrial production, new sales orders, and unemployment.

Five times the discount rate had been increased from the low of 1¾ per cent in the 1957-58 recession, the latest rise coming last September.

❖ COMPLICATED are the new rulings of the U.S. Supreme Court on the issue of off-shore oil rights of states. Texas and Florida were adjudged to own the oil and other undersea resources 10½ statute miles into the Gulf of Mexico, but the rights of Alabama, Louisiana, and Mississippi were held to stop at the 3½-mile line. Beyond the limits set, the resources now belong to the Federal Government.

All except six of the 1,564 oil wells drilled and producing in the Gulf are off Louisiana; the six others are off Texas. Unhappy Louisiana's attorney general, Jack P. F. Gremillion, said the state would ask a rehearing—at best problematical. There is still Congress, however.

❖ GNP jumped to a record annual rate of \$500.2 billions in the first quarter, employment reached a new high in April, prices have remained comparatively stable with price index fluctuation only 0.25 per cent in the last half-year, and some industrialists predicting prosperity, without accentuated inflation, to reach into the middle of next year.

From the Federal Reserve came figures to show consumer instalment indebtedness accelerating (total outstanding at April-end setting a record \$40.265 billions, combined public and private debt \$846.5 billions at year-end). And the department of commerce told of a \$300 million rise in business inventories (contrasted with \$800 millions in March, \$900 millions in February, and \$1.1 billions in January) to a total of \$93.4 billions at the end of April.

Corporation profits were at a top of \$47.8 billions in early 1960 and national income advanced above last year's record \$398.5 billions.

¶ THE TREASURY'S proposal that Congress impose heavier taxes on gains from sales of depreciable property, by treating them as ordinary income rather than capital gains, brought speedy protests before the House ways and means committee on the score of inflation and technological advances.

For the American Cotton Manufacturers Institute, Benjamin O. Johnson said "the gain attributable solely to inflation should be entirely exempt" in considering any change, and George Terbough for the Machinery and Allied Products Institute emphasized the shrinkage in dollar value and understatement of losses. Special tax handicaps would be imposed upon the national coal and air transport industries, declared spokesmen for their associations.

OFFICIAL TEXTS — of all mobilization agency regulations may be had, free of charge, by writing the Information Division of the agency involved, Washington 25, D.C.

THE FEDERAL REGISTER—a Government daily publication, which contains full texts of all regulations, is available from the Superintendent of Documents, also at Washington 25, D.C.

¶ PROPOSALS to place an import fee of 8 cents on cotton textiles, indorsed by the Department of Agriculture in testimony before the Tariff Commission, were challenged by exporters of cotton and importers of cotton textiles, warning of possible reduction of overseas sales of U.S. cotton. Southern Congressmen and others had championed the Administration recommendations.

Representatives of the U.S.-Japan Trade Council, the Mitsui Trading Company, the Southwestern Cotton Company, and the Japan Cotton Company protested variously that a new 8-cent import duty would cause Japanese fabric makers to turn to synthetic fibers, to look to other nations for raw cotton, that it would hurt cotton growers more than it would help them.

¶ ANY MAJOR CHANGES in the sugar program of this nation would not be in the best interests of the industry, says Robert H. Shields, president and general counsel of the United States Beet Sugar Association. The Sugar Act, which expires this year, should be continued at least four or five more years, with only a few changes, the Sugar Club of New York was told, one being to grant President Eisenhower limited power to reduce or increase quotas to various areas if justified by international or supply-and-demand developments.

¶ TABLING of the Harris national "Fair Trade" bill was voted by the House rules committee, 6 to 4, with two abstentions. The House commerce committee had approved the measure in May last year. Rep. Richard Bolling (Dem., Mo.), who made the motion to table the bill, said it "won't provide the relief for the little businessmen that they think it will, and it could be damaging to the industry."

Under the Harris bill any manufacturer of branded merchandise could fix minimum retail prices by merely notifying his distributors.

¶ OUTFLOW of gold in the first quarter was the lowest for any such period since 1957. U. S. gold stock declined by only \$48 millions, leaving the total on hand \$19.408 billions at March-end. For 1959 the outflow was less than one-half the 1958 amount.

January showed only a negligible increase in U.S. short-term liabilities to foreigners and international institutions.

¶ INCREASE of 7 per cent in reported corporate dividend payments over the first quarter of last year is announced by the department of commerce. While disbursements were up only slightly in trade and mining, higher rates and additional share capital were recorded by nearly every industry group, and "advances were the rule in both durable and non-durable goods manufacturing," said the department.

¶ INCREASE of 3 per cent last year in assets of all insured banks raised the total to \$275 billions, says Jesse P. Wolcott, chairman of the Federal Deposit Insurance Corporation. Deposits rose 2 per cent to almost \$248 billions; capital and surplus accounts totaled \$22 billions; miscellaneous liabilities were above \$5 billions. The 13,382 insured banks at year-end held 96 per cent of assets and deposits of all banks.

¶ CANADA is trying to go "too far, too fast," and is leaning too heavily on foreign investment, especially from the United States, said the annual report of the governor of the Bank of Canada, J. E. Coyne, to the minister of finance. He pointed to the country's growing deficit in international payments—a record \$1.46 billions last year.

¶ OPPOSING any relaxation of mandatory quotas on residual oil imports, the National Coal Policy Conference, Inc., through its president, Joseph E. Moore, called "current high levels" alarming and warned that any upward adjustment would be "catastrophic" to the American fuel industries.



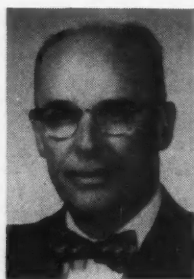
Counseling Customer Pays in Added Sales

PARTICIPANTS in last month's chapter introducing CFM's symposium on "How to Sell the Customer on the Value of His Credit" advanced a number of methods they had found successful. Among them were: using a sales approach in gaining his confidence, suggesting a credit plan to meet his budget needs, setting up an additional paying time program when his working capital is short, maintaining patience and imagination.

In this second instalment, credit executives emphasize discreet counseling, personal visits, helping the account to improve his financial position, making clear the supplier's sincere interest in his progress, teaching him how to manage his own accounts receivable, and above all developing his credit-consciousness.

A third and concluding chapter will follow in an early issue.—ED.

Personal Contacts and Counseling Are Reflected in Size of Orders



R. G. AVERY
Credit Manager
Union Hardware & Metal Company
Los Angeles, California

WE BELIEVE that basically most of our customers are truly proud of their credit standing and oftentimes can be painfully wounded in the pride department at least, if inference is made that they are not living up to their end of the bargain, insofar as line of credit is concerned.

Occasionally, however, one of these same valued customers finds himself in a financial bind. This, in turn, creates a temporary condition that is reflected in paying habits for the next few months. The end result is that regular terms often are violated for an extra 30, 60, 90 days. The dealer feels that, inasmuch as he has been a loyal customer, the wholesaler should simply accept this condition and still be grateful for past business relations.

The most common way is simply ignoring any letters sent to him as a reminder. After one or perhaps two letters, depending on the amount involved and the length of time that the customer has dealt with us, we usually telephone to give him a chance to explain. If we can maneuver the questioning so that he is assured of our interest in his problems, our call is generally received in a more kindly light. We can tell him how importantly discounting his bills affects his net profits for the year.

We do, however, hear various excuses repeated many times in a year, such as, "I haven't had time to open my mail lately," or "I was putting off answering your letter until I could send a check." In such cases we ask the

dealer if he has any complaints. We try to convince him we are actually partners, that we need each other, and we invite him to let us know whenever there might be something wrong. We also advise him that we have just so much time to tie up in his account, that accounts receivable turnover is very important to us, as we have only so much operating capital to use.

Often it seems to serve our own interests better if a personal call is made on this dealer by a member of the credit department. This gives us a better perspective of the location of the store, the type of trade in that location, and, most important, whether the dealer is really a good merchant, if his own techniques could be weak, particularly in collection of his own accounts receivable, and turnover.

Furthermore, after we have met the dealer we find that in the future our conversations with him over the telephone, or our letters, are received in a much more friendly manner. We find that he is much more apt to contact us if there is to be a delay in payment. Sometimes it is the dealer's request that we get together for a little counseling.

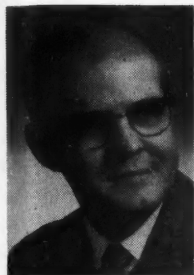
All in all we feel that this friendly service, and being on a personal basis with our customers, aid us considerably in doing a job for the other half of the business, the sales department.

After we have visited customers we often hear from the salesman that the customer was flattered, or at least very much pleased, by having someone from the front office, so to speak, call on him at his store. In many instances the monthly purchasing shows a very nice increase. Quite often the customer apologizes to the salesman for taking extra time on his account.

Then again we have the problem of the new account who just cannot understand why his first order cannot be shipped in 15 minutes. We point out that delay is kept to a minimum but there are essential facts that we must have an answer to, before we can present the prospect to the sales department for approval as a new customer in good financial standing.

We feel that the program of personal contact with our customer, and assuring him that we are very happy to help with any of his problems, is reflected in the size of the orders we receive from this dealer. Above all it helps him evaluate the benefits of his own credit standing, based on prompt payment of his invoices.

Help the Customer to Understand Values and to Solve His Problems



JOHN S. LANNING
Treasurer
Plumb Supply Company
Des Moines, Iowa

THE possibility of a credit man "selling" any idea is greatly enhanced if he simply "helps the customer understand" the point being sold.

Most customers do fully understand the value of credit, or our present credit system would not survive. These, of course, are the ones who pay promptly, and require very little time and attention from the creditman.

So, it is apparent we are actually talking about those customers who *need help*. Some realize the need for assistance and ask for it, in fact are eager. These are easy to help. Others who need it, but are not aware of the need, are most difficult to "sell".

The best approach is a personal call immediately upon discovering the need. With some customers it takes more than one call, so a delay may make you too late to successfully close your "sale".

When you succeed in earning the customer's confidence and he is willing to discuss his problem, you can be of infinite assistance.

Invariably, one of his big problems will be his own extension of credit. Whether it be his credit sales policy, his accounting, or his collections that are the cause, the discussion itself is an excellent opportunity for him to acquire an understanding of the value of credit.

"Let's Have the Guts" to Say "No" If Necessary, Then Stick to It



MAX B. JOHNSON
Regional Credit Manager
California Spray-Chemical Corporation
Washington, D.C.

THE credit division of our company is most cognizant of its responsibility to management, stockholders and customers. The availability of working capital, sound accounts receivable, and administration of credit are but a portion of our job. We must continually recognize

that as "salesmen of credit" we are in a position to help increase our companies' sales.

We all want to be generous in the accepting of credit, but this should not delude us into accepting it without factual information to support such requests. A direct request to the customer for this information will often result in more complete data. Also, it allows us the privilege to discuss our terms of sale and the manner of payment. We impart the atmosphere that credit is an integral part of our organization.

"Credit habits" are often reflected in the success or failure of people and companies. We should not be a party to its misuse, thereby lending our resources to the financial destruction of the customer. Let's "have the guts" to say "NO" and stick by our convictions.

Through the medium of customer counseling, we can make our customer aware of ways and means which will improve his financial position. Discretion must be used in counseling, especially to the extent of liability. Refer him to experts in such fields; recognize the limitations of our knowledge and experience.

We all have the opportunity to re-evaluate and analyze our present approach to financial management. Is it sound? Positive? And is it optimistic?

Convince Account at the Start That His Success Is Your Concern Too



J. H. KEPLINGER
Treasurer
Plumb Supply Company
Harrisburg, Pennsylvania

MOST of us engaged in credit and collection of accounts know that we are serving our customers as well as our companies. Thus, our extension of a portion of the resources of our company, which have been entrusted to our good judgment, for the purpose of helping customers, should be understood and appreciated by them, and this courtesy certainly should not be abused.

To make customers understand this fact requires education and selling on our part. Too long have creditmen been looked upon by customer and salesman alike as a negative factor in transaction. We must, by personal contact very often, either by visit or telephone, patiently explain our position. I say patiently, because patience is necessary to keep the goodwill of the customer and obtain his cooperation. This patience, however, must be accompanied by firmness. Cooperation is necessary; and unless there are extreme circumstances, we must insist on payment within terms as well as a reasonable knowledge of the customer's financial and operating results. Otherwise, we have no justification for extension of the credit of our company. Continued slow pay is often a sign of weakness in a customer's set-up, and he should

know that it puts his credit standing in jeopardy. Of course we help him over temporary difficulties, but only when it is justified.

In most cases people respond to genuine interest, and like to talk of their affairs to a real friend. A creditman should be that kind of friend. There are, however, people who are hard to cultivate as friends. They have a sullen or belligerent attitude, oftentimes hiding a weak financial position. We then must act with caution, and be firm, though kind, in insisting on information needed and on prompt payment. We must somehow transmit, when an account is opened, at collection time or on a friendly visit, that our sincere concern is for the success of our customer and that we desire to give him our maximum consideration creditwise.

Now one might say: Would not the cost of such a policy for a company with many thousands of small accounts be prohibitive? Perhaps it would; but when you consider that customer relations and future sales are involved, and that collection letters are usually sent anyhow, it would appear to warrant sending at least specially dictated letters to officers in the customer's organization responsible for remitting.

To secure maximum success for this policy, as for any credit policy, requires awareness and appreciation of the true function of credit management by all credit department personnel, also by top management, which can provide adequate funds for its effective operation.

Sell Your Company's Personality; Pays Off in Improved Collections



ALBERT C. COOPER
Credit Department
Rock of Ages Corporation
Barre, Vermont

ALL too often, the selling aspects of credit management are obscured by the daily pressures of routine collection. Again, perhaps to some extent the credit executive, engaged in a continuous campaign to sell top-management on the importance of the credit function, neglects the equally-important area of customer-counseling, and selling his product, credit, to customers.

A business firm, like an individual, develops over a period of time a personality distinctly its own. The conscientious and far-sighted credit manager is in an unusually advantageous position with respect to opportunities to add to and emphasize some of the more important and desirable personality traits of his firm, through his everyday relationship with customers.

Impressing upon purchasers the value of credit terms extended to them, and conditioning them to attach importance to prompt paying habits, is an educational

process, and one therefore which must be continuous.

Every opportunity to explain to the recipients of "past due" notices *why* payment is being requested, and just *how* such a "small matter" is significant to the overall business relationship, should be fully exploited. I have come to feel that this approach in promoting "credit-consciousness" pays important dividends, especially where new customers are involved.

The following excerpt from a letter received from a relatively new, large western account, indicates what can be accomplished in credit selling:

"Thank you for your very nice letter. We appreciate receiving such letters which are devoid of a 'coldness' between business concerns. We have been grateful to you for your understanding of our situation here, and for the warm way in which you have allowed us to buy on open account. . . . We will do everything to protect our dealer franchise. Please accept our check. . . . as payment in full. . . ."

Letters of this kind are valued proof that our credit department's efforts to convey to our family of dealers a sincere interest in them and their problems has paid off, not only in improved collections but, more importantly, in increasing the stature of our company's "personality" in the eyes of our customers.

Emphasis to Account Is on "You" In Helping with Forward Planning

R. R. MATZKE
Credit Manager

The Electric Storage Battery Company
Philadelphia, Pennsylvania



MAN'S CONFIDENCE in man! Credit is truly the lifeblood of business, and, when used properly, has unlimited possibilities to assist in the growth of our business family. As a first step, we have set down our own fundamental credit creed in black and white.

Every day in every contact with our customers we live by and show our belief in our credit creed. We know that these policies will strengthen our customers in their own businesses.

This requires constant use of the "you" approach. Our suggestions are made only with the objective to:

1. Help "you" make more money.
2. Help "you" put your business in stronger financial shape.
3. Help "you" become better established as a progressive businessman.

We believe that 99.9 per cent of all businessmen are fundamentally honest. They start as specialists—a good salesman or a good mechanic. They are so close to the day's work, pushing their specialty, that they have no

time to study the fundamental tools of business management. They are blind to their own management weaknesses.

Therefore, we try to open their eyes to forward planning with the following controls:

1. Regular, accurate and complete financial reports.
2. An operating budget to blueprint the path to achieve the desired net profit.
3. Keep inventory in proper relation to sales volume. Free dollars frozen in obsolete merchandise.
4. Cash requirements forecasts so as to secure all cash discounts. The cash discount is a substantial portion of the final net profit figure.

Our planning starts with the initial order. Our customers will always deal with the same credit person so that the relationship will grow on a personal basis of mutual respect. In handling the credit investigation, we endeavor to show the customer how much we value his business, and the importance to us of his credit standing in the business world.

We try not to overplay our role as a management consultant or advisor. But we never miss an opportunity to suggest a "your" benefit to be gained. The approach is always friendly, cheerful and helpful. We try never to spoil it by implying in any way the selfish personal interest of, "Well, really all I want is that you pay us promptly."

If you really know and live your own credit creed, the "how" to put it across to your customers will follow naturally and easily.

Almost No Limit to Investment In Account If Payment Is Prompt



H. C. MALLET
Collection and Office Manager
The Federal Glass Company
Columbus, Ohio

WE keep hammering away at the convenience, pride and prestige aspects of credit, but when we find someone especially difficult to convince, we use the following approach. We ask the customer to take a look at his balance sheet. We explain to him this way. The left side of this balance sheet is 'What You Own.' The right side of this balance sheet tells where you got the money to buy 'What You Own.' In other words, the capital assets, inventories, receivables were bought with money supplied by stockholders' investments, retained earnings, long term debt, short term debt or by your suppliers in the form of accounts payable.

"Every source of money except that received from suppliers (accounts payable), requires some payment for the use of the money. Investments supplied through accounts payable can be used without charge and are a

permanent investment in the future of your business."

We explain further why we consider this investment permanent. As long as the customer purchases approximately the same amount of merchandise on open account terms, the accounts payable figure on his balance sheet remains the same. True, he is making payments frequently against this total. However, additional purchases to replenish inventory will be made in the same amount. If his business is growing rapidly, the accounts payable figure will increase and his suppliers' investment becomes greater. We also explain that if the customer keeps the suppliers' invoices paid in accordance with the terms of sale, there is almost no limit to the amount the suppliers will invest in his business as the business grows.

Knowledge of Human Engineering Helps in Understanding Character

ROBERT NEVIL
Credit Manager

Stark, Wetzle & Company, Inc.
Indianapolis, Indiana



TO "SELL" customers on the value of credit, one must have a knowledge of 'human engineering' or 'human relations' to help understand the character factor of the customer.

We have found the majority of our customers want to meet their obligations at maturity. The marginal or risk accounts are unable to do so because of financial difficulties indicated on their balance sheet. Depending on the degree of exposure, the balance sheet of the marginal account is carefully analyzed with pro formas prepared for discussion with the customer.

Our company policy decrees that the credit department maintain a closeness with our customers almost parallel to that of the sales department. This is achieved by making goodwill tours of territories with our sales representatives or making personal calls on specific problem cases. Our sales representatives are schooled in the services our credit department has to offer, and many times request our attention and time for one of their accounts. This method readily opens the door for counseling where other methods may end in failure.

We try to instill in our customer a degree of pride about his business and business ability. We do not overplay this since it may be dangerous. Again, one must know the customer and how far to pursue the point.

We inform our customers that when we accept their orders on open account, they are using our money to help finance their business. Thus, in effect, we become their partners working toward a mutual goal.

Without the intangible item of goodwill and working closely with customers, it would be relatively impossible to "sell" customers on the value of credit.

HELP CREDIT GROW: MANAGEMENT CREDO

Credit, Sales, Insurance a Trinity to NACM President Brown

He likes to see things grow—to help them grow.

ON THE SURFACE, a simple credo indeed is that of the new president of the National Association of Credit Management. But in its applications, the potentials are as boundless as Credit itself.

And Ralph E. Brown brings to the high office a multiple-faceted vision of growth, an outlook that ranges from a will to help build the image of the credit specialist in the eyes of top management and public alike, to a determination that organized credit derive its rightful share in what many economists say will be the brightest decade of business growth in the annals of this land of ours.

Certainly in his business affiliation he has seen growth to the fullest, for Marsh & McLennan, Inc., of which he is vice president, is the largest firm of insurance brokers in the world. Three thousand persons are employed in its 30 offices—in Havana, Caracas and London, besides Canada and the United States. Marsh & McLennan International, Inc., has offices also in Argentina, Brazil, Colombia, Germany, Mexico, Puerto Rico and Venezuela.

Pointers from Insurance

With insurance the major part of his business career—33 years with the one company—Mr. Brown underscores the compelling need of insurance awareness and alertness by credit management. Its significance to the credit manager looms high in both his own company's coverage against possible losses and in his accentuation of protection of its accounts receivable by counseling its customers in order that they themselves carry adequate protection.

Too, an insurance career is a selling career. Broad but short is the bridge to emphasis on the sales role of the credit executive toward effecting maximum sound profit volume.

To the association's new executive, insurance, sales and credit are the trinity for business growth.

Additionally there are the over-



The Browns with younger son Stephen

tones of service. Surely insurance is a service, as is credit, and service has its counterparts also in the Browns' civic and church interests and affiliations. Ralph Brown has served as deacon of the Presbyterian Church of Webster Groves, suburb of St. Louis, also two four-year terms as a trustee of that church, and until January 1st of this year he was secretary to the board of trustees. He is also the chairman of the insurance committee of the church body.

Mr. Brown is a member of the Missouri State Chamber of Commerce, has been active in Community Chest promotion of both St. Louis and Webster Groves, in the Boy Scouts and Cubs programs, as well as the U.S. Citizens Defense Corps.

He is a member of the Missouri Athletic Club, the Y.M.C.A., the Conservation Federation of Missouri, is on the Insurance Board of St. Louis and is chairman of a special com-

mittee for cooperative planning with the St. Louis Association of Credit Management. Fraternally, he is a member of Tuscan Lodge No. 360 A.F.&A.M., Missouri Consistory No. 1, and Moolah Temple.

A Romance Language

Ralph and Helen Brown were both natives of Sparta, Ill., attended elementary and high schools there, but it was not until both were at college that they discovered a mutual interest in the extra-curricular course, the language of romance. They were both home on vacation, he from the University of Illinois, where he was studying general business administration, she from Lindenwood College, for women, at St. Charles, Mo., where she was very active in campus interests and a member of the Alpha Omicron Pi Sorority.

Ralph Brown also attended the

U.S. Military Academy, and from West Point went into the employ of the Central Illinois Public Service Company at Springfield.

The Florida boom was on, and he went to Palm Beach. After a year there he was home on vacation when a hurricane let down the boom on the boom. He remained in Sparta.

Now came the advent into the insurance field. On March 1, 1927 he entered the placing service of Marsh & McLennan (Definition: a "placer" is one whose duties consist of dividing a large insurance risk with other companies.)

On to St. Louis

It was while he was in the customers contact department that he was named to a personnel team that went to St. Louis February 1, 1937, to explore the potentials of opening an office of the company there. The office was established and he became assistant vice president in 1942, thence advancing to the position of vice president of the Missouri Corporation, the St. Louis office.

The Browns have two sons. James H., age 25, graduate of Vanderbilt University, is married and resides in Birmingham, Ala., where he is sales representative of Johnson Motors of Waukegan, Ill. Stephen R., 22, was graduated in journalism (communications), University of Illinois, last January. Both sons are Sigma Chis.

The Modern Credit Manager

Peonies or people, sound growth spells their place in destiny, the new president of the more than 35,500 members of his association believes. He sees in the credit manager of today a "company executive who is an accountant and an economist by education, who knows his company's financial structure inside out, who is a psychologist when it comes to sizing up a risk, a salesman when it comes to working with the customer, an executive who knows insurance and marketing in terms of risk, who is a student, day in and day out, to keep pace with business trends affecting not only his own company but also the companies which are its customers."

In Ralph E. Brown is dedication to help the credit executive progress, not only in his own attainments but also in stature in the eyes of top management and the economy.



which pulls more?

- () Individually typed letter
- () Processed filled-in letter
- () Printed letter

Creative talents being equal, we'd give the edge to the individually typed letter, and for good reason, too.

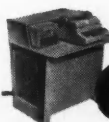
Direct, personalized communication is a proven sales-winner. You can put this personal touch in your mailings with an Auto-typist at surprisingly low cost.

What can match the crisp feel of your message automatically and individually typed on an Auto-typist? How else can you be certain of a perfect "match"

between fill-in and the body of the letter? What other method so closely approximates a dictated letter? That is why Auto-typist letters will produce the most inquiries per dollar spent for letterheads, handling and postage. The slightly higher reproduction costs are insignificant when compared to the lower inquiry costs.

With a battery of four Auto-typists, one girl can easily do 400 to 500 letters per day with ease. That's real communication power!

We'd like to tell you more about the Auto-typist and how it can help your correspondence. Send coupon for free booklet and complete information.



Auto-typist

MAIL THIS COUPON TODAY

American Automatic Typewriter Co., Dept. CF7, 2323 N. Pulaski Rd. • Chicago 39, Ill.
Gentlemen: Please send booklet, "60 Best Business Letters," which also contains complete Auto-typist information.

Name _____ Title _____
Firm _____
Address _____
City _____ Zone _____ State _____



By C. W. MANGELS
Treasurer

Interstate Supply Company
St. Louis, Missouri

OUR COMPANY has been in the wholesale appliance business since the early twenties. We have always been fortunate to distribute lines with excellent public acceptance backed by strong national and local advertising. This, however, makes it mandatory to take our share of market penetration. To accomplish this we must go to many dealers who definitely are marginal accounts.

To get our share of the business, and to be competitive creditwise, we have adopted a liberal credit approach. While we definitely are not taking the attitude of gambling with our "accounts receivable", we know that many dealers will use our working capital for more than the 30 days provided by our terms. Nevertheless, our marginal accounts have been profitable, and our losses have been small. We have some outstanding examples to prove our point that you can be liberal with a marginal account and still make a profit.

History of Two Accounts

We have two accounts on our books who purchased approximately \$350,000 in appliances from us in the past 12 months. A creditman not familiar with these accounts, and approving credit strictly from their financial statements and from Credit Interchange reports, would probably limit the accounts to "payment on receipt of invoice basis." Their financial statements are nearly identical and reflect the usual "red light" signals. They read something like this:

MANAGEMENT AT WORK

.... a problem case is solved

Heavy inventories (over \$200,000); accounts payable and floor plan obligations about 10% less; low four-figure bank balance; medium four-figure accounts receivable; equipment, low five-figure not encumbered; reserves with finance companies just about ample to cover contingencies; good insurance coverage; good locations with excellent lease arrangements; and fair inventory turnover.

Though both accounts were more or less on an equal basis financially, each had to be handled on a different credit basis.

Each Has Own Approach

Each dealer has a different problem from the standpoint of displaying merchandise, and uses a different approach in buying "back-up" merchandise to tie-in with special sales and promotions. One dealer concentrates mainly on newspaper advertising and promotions for seasons of the year, anniversaries, and the like, while the other uses more of the direct mail, radio spots, and "canvass type" of sales approach.

To support the sales volume of the dealer using special promotions consistently and therefore making it necessary for him to buy in larger quantities, we had to set up a heavy floor plan commitment and at the same time give him a liberal open account for "special order" merchandise. All these arrangements were thoroughly discussed with the dealer. He knows that every other Friday we visit his store and ask for complete accounting of merchandise sold and a check to cover these sales.

The other dealer needed more floor samples as it has more floor space, with stores in heavy traffic shopping centers. Since we were interested in

having our complete lines displayed, we entered into an extended term agreement whereby the dealer agreed to keep current models on the floor throughout the year. No return privileges are granted. Promptly on the 25th of each month a careful check is made with the dealer on merchandise sold in the month, and we immediately receive our check. (This dealer keeps a very accurate inventory control system, and can tell us in minutes the location of each model by serial number, and, if sold, the name of the customer and date sold.) Our sales department is kept advised of all merchandise on the dealer's floor and makes sure that special emphasis is placed on moving models which are becoming obsolete. This dealer does not buy heavy on "backup" merchandise, but the fact that he has a full display of models enables him to pick up many sales missed by the dealer who limits his display to "hot" numbers.

We are keenly aware that on both accounts the character of the proprietors is unquestioned and that they have the capacity to do a job.

We check integrity and character

EDUATED at Chillicothe Business College and St. Louis University, C. W. Mangels began with Interstate Supply Company in 1933, took over the city sales desk operation, became assistant to the general manager, and in 1946 was named credit manager. He was promoted to operations manager in 1952, and five years later was elected to the board and was made treasurer.

Mr. Mangels is a director of the St. Louis Association of Credit Management and is active in the Royal Order of Zebras. In his church he is general Sunday School superintendent.

very closely on all our marginal accounts. It has been our experience that if the customer is a capable businessman of good character he will usually make up in ideas, energy and good merchandising what he may lack in capital.

Case of the Two Brothers

To illustrate. Two brothers came to us last year in July expressing a desire to go into the appliance business. Their qualifications: \$7,500 in cash; character beyond reproach; age, early thirties; one brother a traveling auditor for a large oil company; the other brother a topnotch appliance repairman for a dealer in the community of 32,000 where they proposed to open their store.

At first we were somewhat reluctant to become involved, considering that they had only \$7,500 and it would take approximately \$10,000 to display all our lines adequately. Too, the two young men had growing families and had to make a living out of this business. They assured us, however, that they would keep their withdrawals to a bare minimum and would not stretch their capital by handling competitive brands.

Because of their integrity we were also able to obtain a \$15,000 revolving floor plan with our finance company, by giving the finance company a 50 per cent guaranty on outstandings. We also helped them find a favorable location in a comparatively new shopping district, with good parking and unloading facilities.

After four months in business they asked us to review their sales and operating statements, and plan with them for the future. Here is what we found. In the first four months they purchased merchandise amounting to nearly \$36,000. Sales were nearly \$32,000 and were climbing each month, reaching the \$10,000 mark in the fourth month. Their gross profit for the period totaled \$9,600, net profit \$4,000. Opening the store and extra advertising expense held down their net profit for the period, but they have kept up this pace. Our projection is that this account will reach \$125,000 in sales the first year with a net profit better than \$14,000.

Marginal accounts, we find, are not too hard to handle if they know you keep a close surveillance of all past-due conditions. We make good use of NACM "Collection Reminders."

Call Long Distance and check credit ratings fast



Nobody makes any money while your company's waiting for credit clearances. So get them in a hurry—and *personally*—by Long Distance.

You'll get the jump on competition, help keep merchandise moving, and pave the way for extra profits.

Long Distance pays off!

Use it now . . . for all it's worth!

BELL TELEPHONE SYSTEM



Automatic Pushbutton Typing Cuts Time and Personnel Costs in Half

ALTHOUGH not officially listed as such on company payroll records, the Auto-typist has become a valuable fulltime "employee" in the busy fuel oil department of the Chicago office of Standard Oil Company of Indiana—turning out an average of 140 to 150 personalized collection letters a day.

The heavy volume of correspondence necessary in the handling of collection accounts presented a time-consuming dictation problem for the executives in the department. Letters were standardized and repetitive in form, but to insure accuracy and proper follow-up on customer accounts, many valuable man-hours were spent in redictating form letters. Transcribing this dictation was a fulltime job for two secretaries, and necessitated the use of two transcribing machines at all times.

Four years ago, Standard Oil Company investigated and then invested in an Auto-typist machine. It has been one of their best investments in office equipment, the executives have concluded.

"By installing the Auto-typist," commented Timothy Lonergan, supervisor of office services, "we have saved the cost of a second transcribing machine, the salary of a second secretary, and have all but eliminated the need for individual dictation on these collection letters."

"Auto-typist is automatic push-button typing. Precomposed numbered letters or paragraphs are perforated on Auto-typist's paper record "memory" roll, which will store up to 250 lines of copy. Complete letters or paragraphs are numbered to correspond with the pushbuttons on the panel. All the operator need do is flip the switch, press the button, or buttons, and Auto-typist automatically picks them out in proper order, and types them perfectly. Necessary manual insertions can be made at any time.

"Auto-typist does typing faster, better at far less cost. Personalized letters are turned out at $2\frac{1}{2}$ times the speed of the fastest typist—neat,



PERSONALIZED LETTERS AUTOMATICALLY, SPEEDILY—Heavy-volume correspondence is turned out automatically at Standard Oil Company's fuel oil department, in Chicago, with Auto-Typist machine of American Automatic Typewriter Company. Prior to automatic typing of complete collection letter, typist makes manual insertion of date, addressee and amount due on customer account. Auto-Typist machine automatically completes letter, ready for signature, with a press of the Auto-Typist button corresponding to number indicated for follow-up letter.

erasure-free, error-free. One operator can handle four machines at once, making it possible to turn out as many as 500 personalized letters a day in large credit operations where speed is imperative. Auto-typist can be used with any standard model typewriter, and the typewriter can be used for manual typing when Auto-typist is not in use."

One Secretary Now

In Standard Oil Company's fuel oil credit operation one secretary now handles all correspondence on collection letters processed through the department. A series of 13 precomposed letters has been set up, perforated on Auto-typist's paper record roll, and keyed to individual pushbuttons on the control panel. Correspondence on accounts now comes directly from executives in the department, marked with the number of the letter they wish sent to the customer. After the secretary has filled in the name of the addressee, salutation, and amount due on the

account, she merely touches a button and Auto-typist takes over, completing the body of the letter in record time, ready for signature.

From surveys that have been taken, personalized, Auto-typed letters have definitely stimulated greater action from past-due accounts. Each account is treated as an individual; and realistic follow-up schedules are set up. Says Standard Oil's credit manager, Robert J. Owens: the personal touch is the most important single factor in collection letters.

"A fuel oil customer," Mr. Owens recalls, "had received the complete series of Auto-typed letters on his past-due account. It was discovered that he was in a financial position to settle his account. As legal proceedings loomed, payment was received, with an apologetic note explaining that his failure to pay sooner was a result of trouble in collecting from his own customers.

"The customer was so impressed by this series of collection letters that he requested a sample set to use

as a pattern in setting up letters to collect past-due accounts from *his* customers.

"Whenever possible, the fuel oil department's Auto-typist is used by the sales promotion department in promotional mailings, especially when a large list is involved. Personalizing sales letters has proved very effective for Standard Oil."

Other Applications

Besides the uses that Standard Oil has found in credit and sales promotion operations, Auto-typist has many other applications. Personalized Auto-typed letters are used in the following:

Order Departments: acknowledgment letters including shipment date, back order or suggested substitutes; change of address letters.

Complaint Departments: acknowledgment, complaint adjusted, not adjusted.

Sales Departments: letters to salesmen on new items, contest, discontinued items; pre-sales approach letters; referral of inquiry letters; follow-up thank-you letters to customers; letters announcing a new line to customers.

Because of the increased efficiency, operator time and money savings experienced by Standard Oil since the installation of Auto-typist, a second machine is being installed in the fuel oil department.

Production output is expected to average 300 letters a day, an impressive daily average considered essential by Standard Oil Company in maintaining its high quality standards and reinforcing the slogan that "you expect more from Standard and you get it."



Mr. Owens and Miss Meredith Robson



Does your business have enough money to make money?

The company with adequate cash available at all times is at a distinct competitive advantage. If your company will use outside funds in 1960 to assure maximum progress and profit, investigate our method. COMMERCIAL CREDIT's advances to manufacturers and wholesalers to supplement cash working capital reached a record high of One and one-quarter Billion dollars last year.

Here are a few reasons for this popularity: We usually provide more money than can be obtained from other sources. We furnish it fast—usually within 3 to 5 days. We eliminate the uncertainty of periodic renewals—our arrangement continues as long as the need exists. We increase the amount of cash automatically if increased sales create the need. We minimize cost—the amount used can be varied automatically to fit changing needs.

You can arrange NOW for cash you may need any time this year—without any fixed commitment or advance expense. Whether you require \$25,000 or millions—for months or years—we will welcome the opportunity to provide it. Ask the nearest COMMERCIAL CREDIT CORPORATION office below.

BALTIMORE 2 300 St. Paul Place
CHICAGO 6 222 W. Adams Street
LOS ANGELES 14 . . . 722 S. Spring Street
NEW YORK 36 50 W. 44th Street
SAN FRANCISCO 6 112 Pine Street

Consult COMMERCIAL CREDIT

COMMERCIAL CREDIT COMPANY subsidiaries provide over four billion dollars of financing services annually. Capital & Surplus over \$225,000,000

Guides to Improve Executive Operation

BOOK REVIEWS

INDUSTRIAL MAN, Business and Business Organizations—By W. Lloyd Warner and Norman H. Martin. 580 pages. \$6.50. Harper & Brothers, 49 E. 33d St., New York 16, N.Y.

• Many articles, chiefly by schoolmen, some by industrialists, have been assembled by the editors to present, with their own contributions, a systematic study for ready comprehension of the business social structure, personalities, executives' duties, aims and dilemmas, management ideologies and the basic contemporary industrial society.

Issues and problems discussed in the concluding chapter as products of today's business are the relationship of the industrial organization to individual, individual to himself, the organization to other organizations.

To expedite receiving booklets described below in this column, address all inquiries concerning Efficiency Tips to CREDIT AND FINANCIAL MANAGEMENT, 44 East 23rd St., New York 10, N. Y.

EFFICIENCY TIPS

856—New Tabletop Offset Dupli-cator is subject of 6-page brochure of A. B. Dick Co. Specifications are given.

857—Catalog of Industrial Shred-der & Cutter Co. describes variety of automatic paper shredders for office and industrial applications.

858—Complete specifications on new RPC-4000 fully transistorized gen-eral-purpose electronic computing sys-tem are given in catalog sheet avail-able from Royal McBee Corporation. Write us for copy.

KEEPING INFORMED

WHITHER ARE WE TENDING?—Book-let presents address of Nathan Mobley before the 18th annual meet-ing of The National Association of Surety Bond Producers. Mr. Mobley is president National Association of Casualty and Surety Executives; di-rector Chubb & Son Inc., vice presi-dent and director Vigilant Insurance Company. Following an interesting but necessarily brief review of the history of corporate suretyship, Mr. Mobley touches upon the present state of the industry. Unfavorable features and criticisms leveled at the industry are included, along with the favorable. Private construction is cited as one field for expansion. 11 pages; free. For copy, write Chubb & Son Inc., Dept. CFM, 90 John St., New York 38, N. Y.

GUIDES FOR BUSINESS ANALYSIS AND

PROFIT EVALUATION — 76-page booklet prepared by Office of Dis-tribution, Business and Defense Ser-vices Administration, discusses vari-ous management tools used in the analysis of accounting records. Com-prehensive listing of financial studies currently available from both Gov-ernment and business sources is included. Publication should be especially useful reference tool for credit executives, accountants, bank-ers, all who must evaluate the operat-ing performance of other businesses. 30 cents a copy. From Superinten-dent of Documents, U.S. Government Printing Office, Washington 25, D.C., or Dept. of Commerce field offices.

use them FREE for 10 days!

500 COLLECTION LETTERS —THAT BRING IN THE MONEY!—



Ready-to-use for Quick Results

HERE'S HOW TO PULL IN THE CASH—get the "slow pays" off your book- without wasting time and money! Send today for a Free-Examination copy of the greatest group of credit and collection letters ever put between the covers of a single volume—

Complete Credit and Collection Letter Book

by JOHN D. LITTLE

Each and every one of the 500 letters in this new book has been thoroughly tested and proved successful. Each one is ready for you to use "as is" or with only slight variations to fit your particular needs. You'll find individual letters, as well as complete series . . . dozens of openings and "hooks" to vary your approach . . . techniques and ideas ready to go to work for you AT ONCE.

Just a hint of the gold-mine of ideas you'll get:

- simple collection "hook" that brings in an 89% response—
- collection series that gets speedy re-sults from bad risks—
- successful 3-stage letter that applies increasing pressure—14 "first let-ters" that bring in payments—
- forceful "one-shot" letter used to collect accounts charged off as un-collectible—
- successful ways to collect from non-profit organizations—
- dozens of fresh variations on the tiresome "please remit" theme—
- 3 ways to calm down customer: dunned for bills already paid—
- letters to chronic "discount chisel-ers"—
- 5 letters to customers whose check have "bounced."

10-DAY FREE TRIAL! Why not see for yourself how tremendously helpful these great letters can be in your work? Mail the coupon below for a Free-Examination copy of the book today!

MAIL THIS COUPON NOW

PRENTICE-HALL, Inc., Dept. 5130-J1, Englewood Cliffs, N. J.

Please send me a Free-Examination copy of the "Complete Credit and Collec-tion Letter Book." Within 10 days I will either remit \$4.95 plus postage, or return the book and owe nothing.

Name

Address

City

Zone

State

SAVE! Send \$4.95 with this coupon and we will pay postage. Same return privilege; refund guaranteed.

TESTED AND PROVED SUCCESSFUL IN ACTUAL USE

Remember, all these successful letters are ready for you to use at once . . . and any one could easily be worth hundreds of dollars to you, not only in increased collections, but in time and effort. Veteran credit men are enthusiastic in their praise of the "Complete Credit and Collection Letter Book." George J. Schatz, Vice-Presi-dent of Commercial Factors Corporation, says: "This book not only supplies 'know-how,' but also makes available dozens of new credit and collection ideas." And W. R. Dunn, Gen-eral Credit Manager of Gen-eral Foods Corporation says: "This book is full of the how-to-do-it of making your letters human, tactful and effective."

INCREASING OFFICE EFFICIENCY—22-

page booklet contains capsule ar-ticles by specialists on cutting costs, improving efficiency in these areas: recordkeeping, office layout, secre-tarial services, office forms, mailing, supply control, work simplification, training timetables. 35c copy; mini-mum order 6 copies \$2.00; discount on larger quantities. Bureau of Busi-ness Practice, div. of VISION, 100 Garfield Ave., New London, Conn.

On The Personal Side



I. L. HILLMAN



V. L. HANNA

IVAN L. HILLMAN has been advanced to treasurer of Dravo Corporation, Pittsburgh. LOUIS A. MERTZ, formerly vice president and treasurer, has become senior vice president and EDWARD T. FITCH, controller, is now vice president, financial.

Mr. Hillman is a director of the National Association of Credit Management and chairman of its national legislative committee. In the Credit Association of Western Pennsylvania he has been president and chairman of the legislative committee. He holds degrees in economics and law and has served on the faculties of Duquesne University and the Robert Morris School. In addition he holds the Fellow Award 'With Distinction' of the National Institute of Credit. Most recently assistant treasurer and general credit manager of Dravo, Mr. Hillman began with the company in 1927. He holds the same positions with the subsidiary Dravo-Doyle Company and is treasurer and a director of Dravo of Canada Limited.

V. LEONARD HANNA has been advanced to vice president-finance Fenestra Incorporated, Detroit, with responsibility for developing and administering the overall financial program in support of manufacturing, marketing and sales operations. Mr. Hanna began with Fenestra in 1957 as controller. Earlier associations included Price Waterhouse & Company, as systems specialist; controller International Textbook Company, and treasurer and controller Allied Products Corporation.

ROBERT L. DENNER has been appointed assistant treasurer in the credit department of The Chase Manhattan Bank, New York City.

*If you want more
working capital...*

*if you want to move
more inventory...*

or...

*if you just want to
take less credit risk*

*...you need
the all purpose*

CONTROLLED CREDIT DISTRIBUTION PLAN

with it you will

- Increase sales volume.
- Reduce credit risk.
- Stock complete line at point-of-sale.
- Eliminate costly consignment and open account losses.
- Supplement working capital requirements.

*For complete information contact our nearest office or mail
the coupon today.*

NEW YORK TERMINAL WAREHOUSE COMPANY

Operating offices in principal cities

25 SOUTH WILLIAM STREET, NEW YORK 4, NEW YORK

Without obligation please send me your booklet "A Close Look at Controlled Credit Distribution."

NAME.....TITLE.....

FIRM.....

ADDRESS.....

CITY.....ZONE.....STATE.....



PICTORIAL PARADE of 64th NACM CREDIT CONGRESS at St. Louis

(Pictures representative of the Industry Meetings will appear in the August issue)

LEFT: American Beauties, leis and smiles. President and Mrs. William L. Holmes (left) welcome President-elect and Mrs. Ralph E. Brown to 1960-61.



PRESIDENT William L. Holmes presents the gavel of office to President-elect Ralph E. Brown.



SILVER SERVICE is gift of National Association of Credit Management to President and Mrs. William L. Holmes.



HONOR CERTIFICATES are presented by President William L. Holmes to outgoing officers and directors. L to R: President Holmes; directors E. C. Paxton, Dallas Power & Light Co.; S. F. Norman, Norfolk Division, The Texas Co.; L. F. Sullivan, Des Moines Register and Tribune; R. L. Howard, Logan Co., Louisville; president-elect Brown, Marsh & McLennan, Inc., St. Louis; and L. H. Koogler, Triangle Electric Supply Co., Inc., El Paso. Mr. Brown and Mr. Koogler were vice presidents of the Central Division and the Southern Division respectively.



KUDOS to the chairmen of the local committees for an outstanding Credit Congress, bespoken for NACM by S. J. Haider, NACM staff vice president and convention director, and in a resolution passed by the convention delegates.



AT OPENING SESSION, Ralph E. Brown, general convention chairman and Central division vice president NACM, turns the gavel over to President William L. Holmes.



JAMES H. DONOVAN, assistant treasurer Jones & Laughlin Steel Corp., Pittsburgh, immediate past president NACM, nominations chairman, presents the committee report.



PRESIDENT-ELECT Ralph E. Brown and the NACM's First Lady embark upon a year of nationwide service to National and the credit profession with the well wishes of the delegates.



A HIGHLIGHT of the plenary session Monday afternoon was a three-act play, "The Voice of the Gavel," a satire on a bankruptcy court procedure. Mayor Norris Poulson (left) of Los Angeles, is haranguing the witness-debtor, Jerry Nemer, member State Bar of California, while the referee in bankruptcy, Ronald Walker, U. S. district court, L. A., pounds the gavel. Also participating was Jack Stutman of the Los Angeles Bar, author of the play which won an enthusiastic reception from the Credit Congress.



FROM FOUR NATIONS. Seated (l to r): Alfredo Casero, attorney, of Casero Betancourt & Navarette, Havana, Cuba; Eric T. C. Burke, general manager, the Canadian Credit Men's Trust Association, Ltd., Toronto, Canada; Edwin B. Moran, NACM executive vice president. Standing: Claudio Beltran, Cia, Fundidora de Hierro y Acero de Monterrey, S.A., president of Asociacion Nacional de Ejecutivos de Credito, Mexico City; Merle W. Osborne, Canadian General Electric Company Ltd., president CCMTA, Toronto.



AMERICAN PETROLEUM CREDIT ASSOCIATION AWARDS are presented by William J. Habkirk (left), general credit manager British American Oil Co., Toronto, APCA president. Left to right: Mr. Habkirk, Albert Berry Senne, staff credit manager The B. F. Goodrich Co., Akron, whose Management Study Report won at the Stanford session of NACM's Graduate School; Thomas D. McElroy, division credit manager Tubular Division of National Supply Co., Pittsburgh, receiving award for John C. Weaver, division credit manager National Supply Co., Denver, winner at Dartmouth. W. P. Layton (right), Graduate School executive director.



PASSING THE GAVEL. John G. dePass (left), National-U. S. Radiator Corp., Johnstown, Pa., Grand Exalted Superzeb, Royal Order of Zebras, presents the symbol of office to his successor, William A. Ware, Van Waters & Rogers, Inc., Los Angeles.



AT THE 1959-60 PRESIDENT'S DINNER. (L to R) Lysle H. Koogle, president Triangle Electric Supply Co., Inc., El Paso, NACM Southern division vice president; president-elect Ralph E. Brown, vice president Marsh & McLennan, Inc., St. Louis, Central division vice president; J. Allen Walker, general credit manager Standard Oil Company of California, NACM president 1957-58; President William L. Holmes, assistant treasurer and general credit manager Schlumberger Well Surveying Corp., Houston; Gilbert W. Sites, credit manager The Times-Mirror Co., Los Angeles, Western division vice president; and Stephen F. Sayer, vice president the First Pennsylvania Banking & Trust Co., Philadelphia, Eastern division vice president.



GEORGE D. SPILLANE, credit manager of Beatrice Foods Company and president of the Rocky Mountain unit, invites all to Denver in 1961.



AT INTERNATIONAL TRADE LUNCHEON OF NACM's Foreign Credit Interchange Bureau. Seated (l to r): C. R. Rohrberg, vice pres. Morgan Guaranty Trust Co. of New York, moderator of Round Table Conference; and guest speaker John Fox, senior vice pres. Mercantile Trust Co., St. Louis. **STANDING:** J. L. Sharp, asst. vice pres. First National Bank in St. Louis, Conference vice chm.; F. C. Lexa, asst. vice pres. Mercantile Trust Co., vice chm.; and Rolla H. Stacke, asst. treas. Monsanto Chemical Co., St. Louis, luncheon chairman. The Foreign Credit Chapter of the St. Louis Association of Credit Management co-sponsored the Wednesday noon gathering.



AT CREDIT WOMEN'S BUSINESS LUNCHEON. Seated (l to r): Marie Ferguson, NACM, New York; Blanche Scanlon, Nash Finch Co., Minneapolis; Mary McGraw, The Binghamton Container Co., Binghamton; Margaret Hail, Chattanooga Medicine Co.; Marlis Rick, Minneapolis Honeywell Regulator Co.; Opal Watts, Butler Manufacturing Co., Kansas City, Mo.; Alice Patterson, Sabin Machine Co., Cleveland. STANDING: Alta Sethaler (chairman), Central Electric Supply, Denver; Katherine Krohmer, Tafel Electric & Supply Co., Nashville; Mildred McCall, Walter H. Johnson Candy Co., Chicago; Emily Arledge, Morton Foods, Dallas; Marcelle Kilpatrick, Bank of America NT&SA, San Francisco; Ruth Collins, The Philadelphia National Bank; Mae Simon, Machinery Inc., St. Louis; Loretta Johnston, The F. D. Lawrence Elec. Co., Cincinnati. The signs were among those of industries represented by the credit women.



FIRST PLACE award (NACM) to Credit Women's Groups for membership gains goes to the Birmingham unit and is received by Miss Annie Schoenherr, Geo. F. Wheelock Co.



SAN ANTONIO's credit women win second place award for membership, presented by the National Credit Women's Executive Committee, accepted by Miss Norma L. Gray, Dixie Form and Steel Co.



JAMES ORR, of Owens-Richards Co., membership chairman of the Birmingham association, is the winner of the special annual award of the Royal Order of Zebras to the NACM member adjudged to have contributed most to the increase and advancement of membership. L to R: John G. dePass, National U.S. Radiator Corp., Johnstown, Pa., Grand Exalted Superzeb; Mr. Orr. Also on dais were J. D. Sansoni, Avondale Marine Ways, New Orleans; D. Sheriff, Hamburg Bros., Pittsburgh, both past G.E.S.



THE SINGING OF "AULD LANG SYNE" CONCLUDES THE 64TH ANNUAL CREDIT CONGRESS IN TRADITIONAL MANNER.



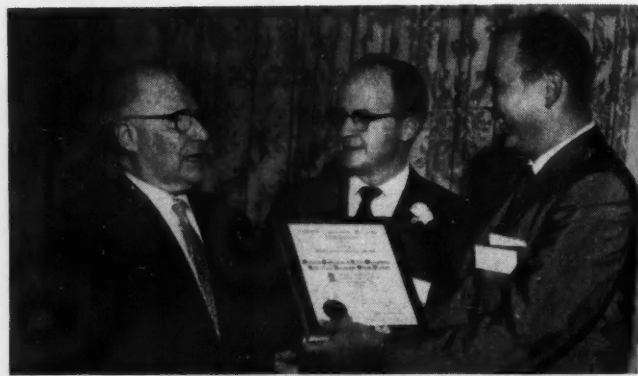
TO THE CHAMPIONS THE AWARDS

LEFT—ELGIN wrist watches are presented to five secretary-managers of associations who attained 60 (5 years) or more consecutive months of net membership gains. L to R: Ralph Johns, Indianapolis (217 months); Lawrence Holzman, San Diego (181); Lee J. Fortner, Los Angeles (91); G. E. Lawrence, Dallas (71) and J. R. Leister, Toledo (65). The special award to Indianapolis was a \$100 U. S. Savings Bond, which at the request of Mr. Johns is made instead to Edward B. Schuler, sales manager. Extreme left: E. B. Moran, executive vice president NACM, making the presentations.

BELOW—Plaques and wrist watches to winners of one-year awards in eight classes of associations.



FRED FLOM, NACM membership chairman, presents one-year award, Class AA, to New York Association. L to R: Mr. Flom, Sidney L. Hammer, Manufacturers Trust Co., and Barrett R. Tanner, association secretary.



SAN ANTONIO wins the Class C one-year award. L to R: E. B. Moran, NACM executive vice president; Casey Golightly, unit secretary, and Glen R. Schiller, Air Conditioning Div., Friedrich Refrigerating Co.



C. B. ROCKSTAD, Packer Scott Co. of Oregon, Inc., Portland association president, accepts Class A one-year award, with Robert W. Kupfer, executive vice president.



BIRMINGHAM association wins Class B one-year award. Receiving: Lewis Durant, Tennessee Coal & Iron Div., U. S. Steel Corp., Birmingham, association president, and George H. Jones, secretary.



HARRY L. KREBS, Graybar Electric Co., Tampa unit president, and CHARLES K. HOWE, secretary of the association, receiving Class D one-year membership award.



HARTFORD wins Class E one-year award. (L to R) ARTHUR FOWLER, The Stanley Works, New Britain, Conn., William McAdam, secretary, accepting award for the Connecticut unit.



L. H. KOOGLE, president of Triangle Electric Supply Co., El Paso, and NACM divisional vice pres., accepts the Class F one-year Award for the Coastal Bend Association, Corpus Christi.



GEORGE JONES, secretary of the Northern Alabama Unit, and T. Grady Phillips, vice pres., receive the Class G one-year award for the Northern Alabama unit.

SPECIAL PLAQUES TO FIVE-YEAR LEADERS

RIGHT: PLAQUES are awarded to the associations which led the membership gains for a five-year progression. Fred Flom, Detroit Edison Co., NACM membership chairman, makes the presentations. The acceptance group from the Credit Association of Western Pennsylvania (Pittsburgh), winner in Class AA, includes (l to r) George McLaughlin, Harbison-Walker Refractories Co., membership chairman; Robert A. Haley, Mellon National Bank & Trust Co., president; and Dudley R. Meredith, secretary-manager.



PORTLAND takes the honors in Class A (five-year award). Receiving the plaque are Clarence B. Rockstad, Packer Scott Co., president; and Robert W. Kupfer, executive vice president.



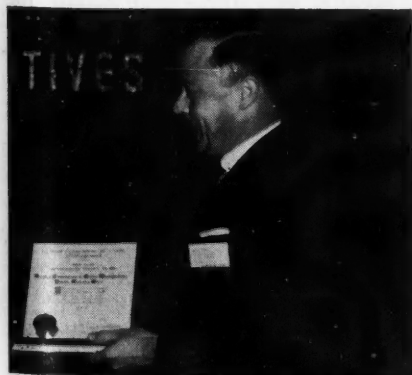
TO SPRINGFIELD the salute in Class B (five-year). Karl W. Hofman, Valley Bank & Trust Co., 1st vice pres., and Carl B. Johnson, New England Container Co., Chicopee, Mass., represent the association.



PHOENIX is represented by Frank Hill, secretary-manager, at presentation of the Class D Award (five year).



ERIE's G. J. Gianoni, of A. Duchini Blocks, association pres., and Eugene C. Drake, membership chairman, accept the five-year plaque in Class E.



SECRETARY-MANAGER A. H. Dunlop receives the five-year award for the Jacksonville association in Class C.



CENTRAL MISSOURI wins the Class F (five-year) award, received by H. J. Farrar, De Longs, Inc., pres., and J. F. Schofield, district secretary.



THE CLASS G five-year award, to Jackson, Mich., is received by Bernard A. Bettendorf, Smith Winchester Co., membership chairman.

Modernizing the Office

New Equipment to Speed Production and Reduce Costs

Simplified Payroll Record Form for Any Size Business

The image shows a sample of the 696 Foldaligned Simplified Payroll Record Form. It is a large, grid-like form designed for recording payroll data. The grid has columns for employee names and rows for individual pay periods. Each row contains fields for recording various payroll items, including hours worked, rates, and deductions. The form is designed to be filled out by a clerical worker, with spaces for 30 items and provisions for filling in all parts with one writing. The form is printed in large clear type and is part of a three-part carbon inter-leaved form.

696 FOLDALIGNED Simplified Payroll Record Form, developed by a certified public accountant, can be used by any business with a payroll, large or small, and can be handled by any clerical worker. Three-part 5 $\frac{1}{2}$ x11" carbon inter-leaved form of Foldaligned Forms Company is printed in large clear type, with spaces for 30 items, and provides for filling-in all parts with one writing. No other equipment is required. Forms are packed in pressboard binder which becomes permanent file for completed forms.

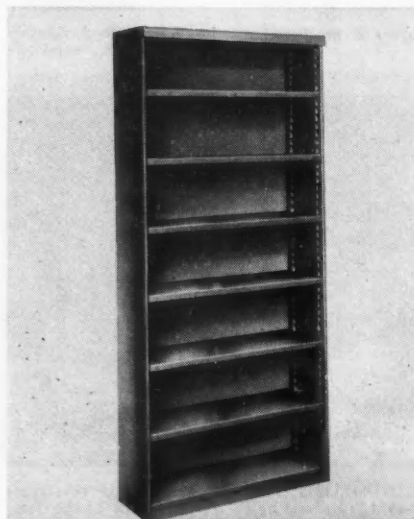
Duplicates, Laminates



697 In addition to making direct (spirit) process and offset masters, the DITTO MASTERFAX machine will make facsimile copies and laminate. Yes, the same machine also laminates documents with protective plastic coating. No complicated adjustments or changeovers are required to do this, maker says. With Masterfax no carbon is required during the direct-process master typing or preparatory stage. Direct process masters can also be made from original copy that is not prepared on Masterfax paper, such as newspaper clippings, correspondence.

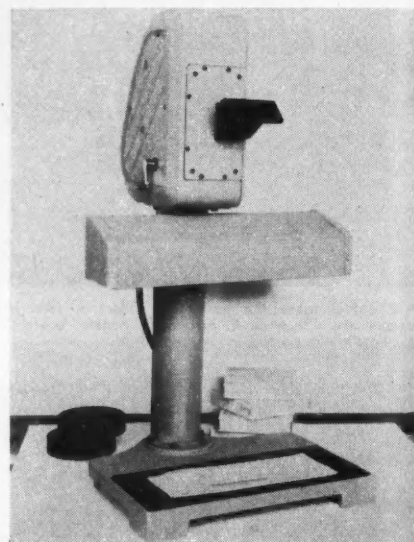
Adjustable Bookcases

698 Steel Bookcases of LYON METAL PRODUCTS, INC. feature sliding shelves, instantly adjustable on 1 $\frac{1}{2}$ " centers. Units can be used individually or may be fastened together in continuous rows to provide exact number and sizes of openings required; also are adaptable for open shelf filing. Bookcases in two sizes: two-shelf, desk-high model and seven-shelf library model (shown).



This Department will welcome opportunities to serve you by contacting manufacturers or wholesalers for further information regarding products described herein. Please address MODERNIZING, Credit & Financial Management, 44 East 23rd St., New York 10, N. Y.

Microfilmer Is Pre-set



699 REGISCOPE MICROFILMER requires no focusing and has its own built-in "green ray" lighting which records details sharply, notes maker Regiscope Corporation of America. All aligning and adjusting is pre-set at factory so that operation is completely simplified. Light touch of lever records documents and automatically sets film in position for next picture. Unit is portable, uses 16 mm. film in rolls containing 8,000 recordings. Used portion of film may be developed without disturbing unused portions.

Learn from the mistakes of others—you won't live long enough to make them all yourself.

—Martin Vanbee

Credit Executives Take Home Wealth of Ideas

From an Outstanding Convention at St. Louis

OUTSTANDING in many respects, with fresh touches in plenary session programming and performance, and important news developments at the National level, the 64th Annual Credit Congress, in St. Louis, rang up a note of confidence in a coming half-year of advancing prosperity, satisfactory and promising, though not of boom proportions.

President-elect Ralph E. Brown, vice president Marsh & McLennan, Inc., St. Louis, in his acceptance address (text on page 31), emphasized that "we are now in the first year of a new decade which many predict will be the greatest ten years of business growth in United States history. It is up to each of us to see that our association shares in this anticipated growth."

President Brown will have the following four divisional vice presidents (picture on this page):

FRED FLOM (Central Division), director-credit and adjustment, The Detroit Edison Co.; **STEPHEN F. SAYER** (Eastern, re-elected), vice president of the First Pennsylvania Banking & Trust Co., Philadelphia; **B. EARLE WALKER** (Southern), vice president, treasurer and credit manager of C. M. McClung & Co., Knoxville; and **GILBERT W. SITES** (Western, re-elected), credit manager The Times-Mirror Co., Los Angeles.

Eleven new directors (picture on page 28) were voted into the NACM board, as follows:

Central Division: MILTON H. ANDERSON, district financial manager Graybar Electric Co., Cincinnati; JOHN W. BOWYER, vice president and treasurer Omaha Steel Works, Omaha; THEODORE A. JOHNSON,



ELECTED NACM OFFICERS for 1960-61. Ralph E. Brown (center), president, and the four divisional vice presidents. Left to right: Southern division, B. Earle Walker, vice president, treasurer and credit manager C. M. McClung & Co., Inc., Knoxville; Eastern, re-elected, Stephen F. Sayer, vice president First Pennsylvania Banking & Trust Co., Philadelphia; Mr. Brown, vice president Marsh & McLennan, Inc., St. Louis; Western, Gilbert W. Sites, credit manager The Times-Mirror Co., Los Angeles; Central, Fred Flom, director of credit and adjustment, Detroit Edison Co.

credit manager The Youngstown Sheet & Tube Co., Youngstown;

Eastern Division: GEORGE T. BRIAN, JR., vice president Noxzema Chemical Co., Baltimore; WALLACE REED HITCHCOCK, secretary-treasurer The United Clay Products Co., Washington, D.C.; JAMES W. SATTAZAHN, credit manager Scott Paper Co., Chester, Pa.;

Southern: RUSSELL L. MOORE, secretary-

treasurer Mosher Steel Co., Houston; JASPER C. OSBORNE, vice president Trust Company of Georgia;

Western: E. F. GUEBLE, general credit manager The Garrett Corp., Los Angeles; DUNTON D. KELLY, secretary-treasurer The Galigher Co., Salt Lake City; MILTON TSCHACHE, vice president and treasurer Columbia Electric & Manufacturing Co., Spokane.

The elections of Mr. Osborne and Mr. Tschache were for one-year terms, all others for three years.

Irwin Stumborg, assistant treasurer The Baldwin Piano Co., Cincinnati, past president NACM, was elected to head the Credit Research Foundation, Inc., succeeding Ben F. Edwards, Jr., vice president and president's assistant-personnel, Bank of America NT&SA, San Francisco (Picture of new officers on page 33).

The new vice presidents of the Foundation are: James H. Donovan, assistant treasurer Jones & Laughlin Steel Corp., Pittsburgh, and past president NACM, vice president in charge of professional education and development; L. B. Houghton, treasurer Union Oil Co. of California, Los Angeles, vice president-promotion and development; Harold J. Kneuker, assistant treasurer American Machine & Foundry Co., New York, vice president-research; and James F. Welsh, vice president and secretary McCormick & Co., Inc., Baltimore, vice president-finance.

At the pre-convention conference of secretary-managers Henry J. Lamb, secre-

THE WHITE HOUSE WASHINGTON, D.C. MAY 12

WILLIAM L. HOLMES

President, National Assn. of Credit Management
Sheraton Jefferson Hotel
12th & Locust Sts. St. L.

To all attending the 64th Annual Credit Congress of the National Association of Credit Management I send greetings. Sustainable economic growth requires the confidence of the people in the value of their money, their savings, and their work. Those who help formulate and execute the credit policies of America's industrial and financial firms help to preserve and promote such confidence through the wise management of credit. It is a pleasure to add my best wishes for a successful meeting.

DWIGHT D. EISENHOWER.

New NACM Officers and Directors

President—Ralph E. Brown, Marsh & McLennan, Inc., St. Louis, Mo.

Vice President (Central Division) Fred Flom, Detroit Edison Co., Detroit, Mich.

Vice President (Eastern Division) Stephen F. Sayer, The First Pennsylvania Banking & Trust Co., Philadelphia, Pa.

Vice President (Southern Division) B. Earle Walker, C. M. McClung & Co., Inc., Knoxville, Tenn.

Vice President (Western Division) Gilbert W. Sites, The Times-Mirror Company, Los Angeles, Calif.

Directors—Three Years

Milton H. Anderson, Graybar Electric Co., Cincinnati, O.

John W. Bowyer, Omaha Steel Works, Omaha, Neb.

George T. Brian, Jr., Noxzema Chemical Co., Baltimore, Md.

E. F. Gueble, The Garrett Corporation, Los Angeles, Calif.

Wallace R. Hitchcock, The United Clay Products Co., Washington, D.C.

Theodore A. Johnson, The Youngstown Sheet & Tube Co., Youngstown, O.

Dunton D. Kelly, The Galigher Company, Salt Lake City, Utah.

Russell L. Moore, Mosher Steel Company, Houston, Texas.

James W. Sattazahn, Scott Paper Company, Chester, Pa.

Directors—One Year

Jasper C. Osborne, Trust Company of Georgia, Atlanta, Ga.

Milton Tschache, Columbia Electric & Manufacturing Co., Spokane, Wash.

award, for outstanding membership performance went to James Orr, of Owens-Richards Co., membership chairman of the Birmingham association. (See page 23).

Edwin B. Moran, NACM executive vice president, was honored with a life-membership in the Zebras at the business meeting.

Besides the one-year and five-year membership awards in the eight classes of associations (see pages 24 and 25), many special recognitions for services were made at the plenary session.

The Indianapolis Association, Ralph Johns secretary-manager, merited extra-special attention—a \$100 U. S. Savings Bond—for its 217 consecutive months of net membership gain. At the request of Mr. Johns the bond was made out to Edward B. Schuler, sales manager.

The Distinguished Service Award of the National Insurance Advisory Council was presented to the Cleveland association for "exemplary leadership in promoting a wider appreciation of sound and adequate insurance as a bulwark of credit and a vital source of protection for business".

The scroll awards of the American Petroleum Credit Association to the Graduate School seniors (1959) who wrote the best management study reports went to Albert Berry Senne, staff credit manager The B. F. Goodrich Co., Akron, and John C. Weaver, division credit manager National Supply Co., Denver. Making the presentation was William J. Habkirk, general credit manager British American Oil Co., Toronto, APCA president.

First place plaque of NACM to the Credit Women's Group which led in obtaining new memberships for the association (Continued on page 30)

THE CREDIT CONGRESS

(Continued from preceding page)

tary and executive manager of The New England Association of Credit Executives, Inc., was elected 1960-61 chairman of the Secretarial Council (Picture on page 30).

Vice chairmen of the Council are: *Central Division* (one-year term) James R. Leister, executive manager Credit Association of Northwestern Ohio, Toledo; *Eastern* (two years), Victor A. Biscotti, secretary-manager Western Massachusetts Association of Credit Executives, Inc., Springfield; *Southern* (two years), George E. Lawrence, secretary-manager Dallas Association of Credit Management, Inc.; *Western* (one year), Lawrence Holzman, executive secretary-manager San Diego Wholesale Credit Men's Association.

Featured at the secretary-managers conference was a display of publications, forms, advertising and promotional material used in all departments of association work.

Ware Heads Zebras

The newly elected Grand Exalted Supereb of the Royal Order of Zebras is William A. Ware (picture on page 22), of Van Waters & Rogers, Inc., Los Angeles. John G. dePass of National-U.S. Radiator Corp., Johnstown, Pa., whom he succeeds, was presented a set of star sapphire cufflinks by the Zebras (picture on page 37)

for a year of service in which two new Herds were chartered, at Dayton and Columbus. The silver plate, annual



NEW DIRECTORS OF NACM. Seated (l to r) Theodore A. Johnson, The Youngstown Sheet & Tube Co., Youngstown; E. F. Gueble, The Garrett Corp., Los Angeles, who had filled out the term of the late Leon H. Stacy; John W. Bowyer, Omaha Steel Works, Omaha; Milton Tschache, Columbia Electric & Manufacturing Co., Spokane; and Milton H. Anderson, Graybar Electric Co., Cincinnati. **STANDING** (l to r): George T. Brian, Jr., Noxzema Chemical Co., Baltimore; Dunton D. Kelly, The Galigher Co., Salt Lake City; Russell L. Moore, Mosher Steel Co., Houston; Wallace Reed Hitchcock, The United Clay Products Co., Washington, D. C.; and James W. Sattazahn, Scott Paper Co., Chester, Pa. Not in picture: J. C. Osborne, Trust Company of Georgia, Atlanta.

President William L. Holmes Reports

PRIMARY efforts of the officers and directors of the National Association of Credit Management in the past year have been directed toward expanding services and benefits to the local associations within the funds available following the members' decision at the Dallas convention to increase the dues, said President William L. Holmes in his report to the 64th Annual Credit Congress in St. Louis.

"Our association for many years has operated with a balanced budget. In expanding our services and making improvements we have constantly kept our program realistic so that we would continue to live and operate within our means.

"Some of us have had the feeling that we are not bringing enough young men into the organization. There seemed to us a gap in the middle management. Many of our top management people are reaching an age when consideration must be given and plans made for their retirement.

Personnel Strengthened

"Our first thought was to strengthen the personnel by adding men who have had some experience and could, with very little additional training, take hold and guarantee the future of the association. At the same time, we felt that new personnel should be men who could assist our local associations and would improve the credit profession."

Noting that many of the affiliates have very competent collection and adjustment departments but that "perhaps there are a few associations that do only a mediocre job in this specialized service," Mr. Holmes said the National employed Mr. Stanley Lytle to assist the local associations.

"Through his experience and knowledge, better controls can be instituted, and more economical and more efficient ways can be pointed out. More importantly, certain standards have been set up which all approved collection and adjustment bureaus of our association should meet. Mr. Lytle will continue to spend a substantial amount of time with our local associations."

The National over the years has obtained reasonably good publicity, the president stated, "but if the credit profession is to advance and obtain the recognition it deserves, we felt there was a need for a broader and more vigorous public relations job. We felt the need for a man who had had considerable experience in writing and in editorial work so that he would be in a position to prepare articles for publication and to assist in the preparation of speeches and articles for people in our own association. We have such a man in Mr. Kenneth Henry, our director of public relations.

"A portion of Mr. Henry's efforts will be directed toward preparation of articles on credit, with mention of our association, for magazines that reach the attention of top management.

"Additionally, Mr. Henry can be of mate-



PRESIDENT HOLMES reviews a year of NACM progress in his report to the Credit Congress.

rial assistance in editing and preparing the various publications, releases and brochures that come from the National office. We can hope that this program will improve the quality of material National distributes and reduce the quantity to those who do not desire or use it."

The president pointed out that when Edwin B. Moran became executive manager the National had no one to assist him in sales, promotion and development work. With membership "the life's blood of our organization," practical sales aids to the local associations are essential in a continuing membership program, he explained.

"Many problems develop in our locals that require assistance from the National, and it has been unfortunate that many times in the past the National simply did not have the staff available. There are times, too, when a promising young man in a local situation reaches the point where the local cannot afford to pay him the money necessary to keep him.

Training and Development

"The National needs to spend some dollars each year in a training and development program. We did make a start this year when Mr. Beverly Badger joined the National staff in promotion and development work. Already Mr. Badger has been of material assistance to several associations. I am hopeful that this entire program may be enlarged."

Relocation of National's headquarters office was an immediate problem, with the lease due to expire in early 1961. "Mr. Moran and his staff found a most desirable location, only a few blocks from the old but in a vastly improved area. This problem was successfully solved.

"The old furniture could not survive the move. Fortunately we were able to acquire modern metal furniture and chairs at a

good price. We have also standardized the layout and furnishings to provide greater efficiency, comfort, and improved morale.

"The addressograph machine was long past retirement age. Careful consideration was given to the use of punched cards, but decision was made to purchase a new addressograph machine. This very modern equipment will do many jobs.

"We also have installed Auto-typist machines which reproduce personalized letters in quantity at great speed. An operator has been trained to devote full time to it." Additionally, a good start has been made on modernizing the office under a continuing program of replacing antiquated equipment.

"It has been my good fortune this year," Mr. Holmes said, "to have served with Ed Moran, executive manager, with his long and vast experience in the association, his intimate knowledge of the problems of our associations. We were most fortunate that he was available to take over as executive vice president.

"Ed can probably outwork any two of us. His life has been devoted to our association, and he continues to go at a pace that I suspect you and I would not attempt to follow. Nevertheless, he has reached an age when he looks forward to retirement, and serious thought had to be given to a successor.

"The successions committee continued to serve but because there was no urgency the committee proceeded very cautiously and very carefully in their efforts to find the best possible available man to present as their recommendation to head up the organization.

Alan S. Jeffrey Named

"When this report was originally prepared I could only say that this problem had not been resolved. Events have moved rapidly in the last few days. I can report to you now that the successions committee has recommended a candidate for executive vice president of our association, and this recommendation has been accepted by our executive committee and our board of directors. Mr. Alan S. Jeffrey will assume his duties as executive vice president of NACM as of July 15, 1960.

"I'm also happy to tell you that Ed Moran has agreed to continue on an active basis with the association until Dec. 31, 1960. He will be available after that time as a consultant and counselor for our association.

"It is the staff of the association that keeps the wheels turning. Certainly in Bud Haider, Phil Gray, Bob Roper and Bill McDonald we have dedicated members. Let me pay tribute to every employee of our organization for the help and loyalty I have had during my term as president.

"In addition, I have depended very heavily on our Secretarial Council. Many times I have received helpful suggestions and constructive assistance. I wish to thank Mr. Scotty Boswell of Richmond; Mr. John

Neiman, Des Moines; Major Davies, Tacoma; Mr. Fred Lozes, New Orleans, and general chairman Mr. Ralph Johns, Indianapolis, whose advice has been particularly helpful.

"This year I asked members of our board of directors to serve as chairmen of our various National committees, and many as vice chairmen. I thank every member for the job you did."

Mr. Holmes noted that under the programs of the Credit Research Foundation, educational efforts have continued to advance, with increased participation in National Institute of Credit courses, record enrolments in the Graduate Schools at Dartmouth and Stanford, and several special research reports. He added his "special thanks to President Ben Edwards, Jr., and the trustees of the Foundation."

The Credit Women's Groups this year "have been most active in education programs and particularly in membership," he said.

Each of the year's directors of National, he declared, "is a leader in our credit fraternity, and it was a distinction to have served with them." Mr. Holmes deplored the loss of those who had passed on in the past year.

In tribute to the members of National's executive committee and the divisional vice presidents, Mr. Holmes said that "a large portion of the credit for accomplishments of the year belongs to vice presidents Steve Sayer, Barney Koogle, Ralph Brown and Gil Sites.

"Our organization has been peculiarly blessed with leaders. Our association and the credit profession will continue to advance because we do have people who are devoted to its cause."

CREDIT CONGRESS

(Continued from page 28)

was won by the Birmingham Group. Second place, award by the National Credit Women's Executive Committee, went to the San Antonio unit.

Three scholarships from the Motor & Equipment Manufacturing Association, Washington, D.C., to the Graduate School, first awarded last year at the Dallas convention, have been made a permanent annual feature, F. J. Lanning, general manager, told the Credit Congress. Named for the school sessions this summer, Dartmouth and Stanford, were R. L. Hughes, Gould-National Batteries, Inc., St. Paul; C. W. Harriman, The AP Parts Corp., Toledo; and George Shelby, McGraw Edison Co., St. Louis.

The first plenary session, Monday morn-



NEW SECRETARIAL COUNCIL has as 1960-61 chairman **Henry J. Lamb** (center), secretary and executive manager **New England Association of Credit Executives, Inc., Boston**, and four divisional vice chairmen. Left to right: **Eastern (two-year term), Victor A. Biscotti, secretary-manager Western Massachusetts Association of Credit Executives, Inc., Springfield**; **Central (one year), James R. Leister, executive manager Credit Association of Northwestern Ohio, Toledo**; **Mr. Lamb**; **Lawrence Holzman (one year), executive secretary-manager San Diego Wholesale Credit Men's Association**; and **George E. Lawrence (2 years), secretary-manager Dallas Association of Credit Management, Inc.**

ing, got off to a rousing start with the reading of a telegram of greetings to NACM's president, William L. Holmes, from America's president, Dwight D. Eisenhower.

"Those who help formulate and execute the credit policies of America's industrial and financial firms," stated the Chief Executive, "help to preserve and promote the confidence of the people in the value of their money, their savings, and their work." (Complete text on page 27)

After welcomes by Dr. George Dale Young, Missouri Assemblyman, and N. I. Ottinger, president of the St. Louis Association of Credit Management, and NACM president Holmes' report of his stewardship (detailed elsewhere in this issue), Dr. Harvey C. Hahn of the Otterbein Evangelical United Brethren Church in Dayton, drew analogies for his theme, "Burnt Matches", all the way from the financial crash of the 1930s, the Korean and two World Wars and yesterday's late lamented (?) summit conference that wasn't, to baseball, youth delinquency, automation, and credit operation.

Dr. Hahn, public lecturer both on General Motors' dais team and on his own seven-days-a-week radio program, urged that the full meaning and responsibility inherent in the word "Service" be restored and "indelibly stamped upon our civilization."

"We need a reincarnation of the pioneering spirit in our age," he declared. "We are still stepping away from, instead of into, responsibility. Major leaguers step into the ball; bush leaguers step away from it.

"Teach young people the value of service—the service motif. Someone has failed to teach them. Too many want only to know

what they'll get without working." And the creditman who does not step into the pitch to hit a greater sound sales volume for his company is not facing up to his responsibility and opportunity, the speaker inferred.

When "No Help Wanted" signs lined the business marts in the '30s, after the "Keeping Up with the Joneses" spree of artificial stimulation of the economy, "by 1939 at 45 years you were a 'burnt match'—an occupational hazard," Dr. Hahn said. Later, Pearl Harbor called the "burnt matches" out of retirement, because "it took 14 or 15 persons behind the lines to service one man at the front."

Under automation, he asked, "at what age in the 1960s will men become 'burnt matches' unless they are skilled in opening new horizons?"

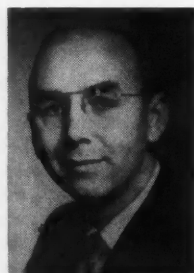
A Credo for Credit Operation

Joseph F. Holland, special assistant to the publisher of the St. Louis *Post-Dispatch*, prefaced his discussion of "The Obligation to be Informed and the Opportunity," with a credo for credit operation, that "faith in the validity of the pledged word is basic to everything credit managers do." How long, he asked, "can the credit system last if men are privileged to give you statements that are not true? They undermine the dignity of every human life. We must have a filing system of information in our own minds, and the credit manager must know the basic character behind a financial statement."

Despite the "unparalleled human perfidy" abroad today, Mr. Holland said he still would "bet on men," but they have a "desperate need to be informed. From the First World War's magnificent dream of a League of Nations, we learned that we cannot promise one step beyond action of our



DR. HAHN



DR. PHILLIPS

The 65th Annual Credit Congress of the National Association of Credit Management will be held in Denver May 14 through 18, 1961.

President-Elect Brown Calls on All To Pitch in for a Glowing Decade

Congress, and, behind Congress, the approval of the American people. Congress will not commit itself one step without the approval of the people."

Three cardinal principles of newspaper operation he set forth as objective reporting, correct interpretation, and sound editorial policy and judgment.

For illustration of the "great gift of selection" in application, he cited his newspaper's procedure in covering the African riots. The first impulse was to interpret them as a black-versus-white outbreak, but a team, sent to Africa to observe, learned that a drop in copper prices had taken the jobs of 10,000 black workers.

"No single man ever added a single second to allotted time," Mr. Holland said, hence the necessity of thorough knowledge in dealings, whether in business or in international relations. Russia, he pointed out, "has a sense of destiny" and so world perspective should be hammered home to high school children.

Credit managers are "obligated today to be able to answer any question facing our nation, and to the basic decision must be added the new and greater burden of civic responsibility and citizenship. The opportunity to be informed rests in that little box in the livingroom—TV."

Monday afternoon's session began with words of welcome to the delegates by
(Continued on page 33)

"Other conventions will meet after ours this summer to choose their candidates for the 1960 presidential election. But the men chosen to run for that high office—and the man, whoever he is, who ultimately is elected—will feel no prouder than I do today.

"In accepting the 1960 presidency of the National Association of Credit Management, in all humility, I thank you for your vote of confidence, and I pledge that with the help of the Almighty, all of my energies will be devoted to continuing the high quality of stewardship that my predecessors in office have given this Association.

"For six decades, now, distinguished men have led our Association in times of trouble and prosperity, in war and peace, among them such outstanding leaders as Paul Miller and Charlie Wells. Let us remember, too, the invaluable service of our secretary-managers throughout these years—both locally and nationally—as well as the dedicated service of our national staff.

"Since time does not permit me to go back through the years, I shall confine myself to statistics of the last decade—which certainly has been one of great vitality. That decade of our Association's growth makes a fascinating study. We can all be proud of what we have done and the men who have led us through these years, beginning with Shad Calloway in 1949 and concluding with Bill Holmes this year. In that intervening period were Vic Eggerding, Don Messer, Paul Viall, Irv Stumborg, Allen Walker and Jim Donovan, each of whom is with us today.

"A hasty group portrait of the eleven men who have held the presidency during this decade yields some illuminating details and conclusions.

"In the aggregate, our presidents have brought to their office a total of 282 years of Association membership and activity, and 287 years of credit and financial management experience with their own companies. By company title at the time of their election, four were general credit managers; three were assistant treasurers; two, treasurers; one, a vice president; and one, a president.

"They have represented eight of our fifty states, and companies of every size and kind—companies with 250 employees and one office to companies with 45,000 employees and 28 branches. These men have been financial overseers in the following industries and institutions; textile, banking, distilling, container manufacturing, hotel supply, medicine, optical goods, musical instruments, oil producing and oil field equipment, and steel. This variety of activities dramatically demonstrates that our profession is vital to all business—that it cuts across all lines and penetrates every size.

Coverage Increasingly Important

"I am proud, to add, by my own affiliation, insurance to this group, for, as more of us agree every day, coverage is increasingly considered one of the basic 'Cs' of credit.

"I shall try to live up to the fine example my predecessors have set. The honor you have shown me today comes at what I believe to be a significant time in our Association's growth, for we are now in the first year of a new decade which many predict will be the greatest ten years of business growth in United States history. It is up to each and every one of us to see that our Association shares in this anticipated growth.

"I ask your help and support in converting the opportunities ahead of us into actual accomplishments. Let us all strive to make our next ten years as glowing a record as the ten we have just concluded."

Suggests Interstate Business Add Use Tax to the Invoices

Interstate businesses selling in the 33 states and District of Columbia, in all of which use taxes are levied at the same rate as sales taxes, should consider adding the use tax to their invoices, now that the U.S. Supreme Court has approved state government collection of use taxes from sellers out-of-state, says Commerce Clearing House. The laws state that the purchasers or users must pay the tax, but the seller must collect and remit it.



CONFERRING Distinguished Service Award of the National Insurance Advisory Council to The Cleveland Association of Credit Management for "exemplary leadership in promoting a wider appreciation of sound and adequate insurance as a bulwark of credit and a vital source of protection for business."

(Left to right): George T. Cowan, vice president Johnson & Higgins, New York, Council chairman; Morris Richman, treasurer Burdett Oxygen Co. of Cleveland, Inc., 1959-60 president Cleveland association; Joseph J. Nemeth, vice president E. H. Fishman, Inc., Cleveland, Council member; and Ralph H. Coleman, Cleveland association administrative secretary.

Resolutions Adopted at St. Louis

Summarizing the Resolutions as adopted by the 64th Annual Credit Congress of the National Association of Credit Management in St. Louis, Mo., May 15-19, 1960.

(1) WHEREAS, the National Association of Credit Management has unceasingly sought acceptance of sound credit principles by both private business and public bodies as essential to the economic health of the nation; and

WHEREAS, continuous mounting of the public debt and frequently recurring Federal budgetary deficits can only contribute to the long-range inflationary pressures on our economy, with resultant depreciation of the dollar, which is, in effect, a hidden tax levy of dangerous and far-reaching implications against the savings of all the people; now therefore be it

RESOLVED, that the Congress of the United States and the Administration be urged to halt the soaring costs of government by all available means—by elimination of all waste and duplication in Government services, by progressive reduction and ultimate removal of all Federal subsidies, by discontinuance of debit financing, and by a systematic program to reduce the national debt, to the end that an honest dollar may be restored, as well as the principles of thrift and self-reliance which have always been and will ever be our surest guaranties of economic strength.

(2) Because a sound debt management program by the Federal Government is essential to the nation's wellbeing, the present barriers hampering the United States Treasury in its management of the Public Debt should be removed. To that end the Congress should enact pending legislation to relieve the Treasury Department of the restrictions imposed by the present Four-and-One-Fourth Per Cent legal interest ceiling on long-term Government bonds.

(3) Gross inequities in bankruptcy, to creditors and debtors alike, arise from the unlimited priorities and exceptions from discharge now accorded unsecured Federal, State and Local tax claims. This convention therefore urges that the Congress support in principle, and as a step in the right direction, the pending legislation to limit the priority and non-dischargeability of unsecured tax claims to such Federal, State and Local taxes as become legally due within three years prior to the filing of a petition in bankruptcy, with all prior unsecured tax claims to be accorded equal treatment with the claims of general creditors and to be dischargeable upon the discharge of the bankrupt.

(4) We recognize the proven security on public works afforded materialmen and others under the Federal Miller Act,



NED M. FRENCH, of McDonald Bros., Inc., Memphis, chairman of the resolutions committee, reads the report, adopted by the convention.

sponsored by this Association in 1935. We also realize the need for greater uniformity in the various State bonding laws. Therefore we reaffirm the appeal of the National Association of Credit Management that all its affiliates and their members, in states where such adequate bond laws are not now in effect, give their legislators their support for adoption of State bond laws patterned after the Federal Miller Act.

(5) Because expanded international commerce is essential to the growth of our economy, to prosperity and strength for all nations, and to world amity, this Association indorses the Administration's program calling for "a more vigorous effort by both Government and business to improve our capacity for international competition," as stated in President Eisenhower's letter of March 17, 1960 to Congress.

(6) Because sound credit may best be served by continuing independence of the Federal Reserve System as provided under the Federal Reserve Act, this Convention reaffirms the action taken by the Officers and Directors at their meeting on November 10, 1959, in support of the present policies and functions of the Board of Governors in seeking to maintain a flow of credit and money commensurate with the requirements of orderly economic progress and a stable dollar.

(7) We urge that the Congress amend the Federal Tax Laws to provide that commercial, competitive organizations now tax-exempt or receiving preferential tax treatment be taxed to the extent that their earnings are attributable directly to activities competitive with private, fully-taxed businesses.

(8) The National Association of Credit Management reaffirms its position that the clearance of bank checks be made

at full face value by all banks in all sections of the country, and asks the membership to continue its efforts to speed the day when par clearance will become a reality throughout every state.

(9) Our Father in Heaven has called Home many members of this organization in the twelve months since we last met, among them a former president of the National Association, Lorne D. Duncan, and two current national directors, Leon H. Stacy of Los Angeles and Ralph H. Mullane of Boston. May the grief of their loved ones be eased by cherished memories of their services to God and country.

(10) We are grateful to every member of the many committees for giving so much of time and work to a convention outstanding in achievement and enjoyment.

(a) Our special thanks to the general convention committee, consisting of Chairman Ralph E. Brown and Vice-Chairmen E. J. Ball, R. E. Dewhirst, J. A. Flood, A. F. Gerecke, N. I. Ottinger, president of the St. Louis Association of Credit Management; P. J. Wilder, and J. F. Schofield, executive vice president and secretary-treasurer of the St. Louis Association, and to all chairmen, vice-chairmen and members of the functional committees of the convention:

(b) Chairman Mrs. Evelyn Meints and her Credit Women's Committee;

(c) Chairman Mrs. Ralph E. Brown and the Hostess Committee;

(d) The Robert Morris Associates, for their contribution to the success of the Credit Congress;

(e) The co-headquarters hotels—the Sheraton-Jefferson and the Statler-Hilton—and to the cooperating hotels;

(f) The newspapers of St. Louis—the Post-Dispatch and the Globe-Democrat, to the New York Daily News-Record for its wide coverage, the Wall Street Journal, the Journal of Commerce, the Commercial and Financial Chronicle; to the Associated Press and the United Press International; and to the radio and television services of St. Louis.

NED M. FRENCH, Chairman
McDonald Brothers Co., Memphis, Tenn.

Members: ROBERT L. ALLEN, D. Ghirardelli Company, San Francisco, Calif.; R. H. BUCHHEIT, The Sherwin-Williams Company of Texas, Dallas; JAMES W. CARPENTER, Union Bank and Trust Company, Grand Rapids, Mich.; WILLIAM R. DUNN, General Foods Corporation, White Plains, N. Y.; RICHARD W. DURRETT, Sheffield Steel Division of Armco Steel Corporation, Kansas City, Mo. **Secretary,** E. A. ROVELSTAD, NACM, New York.

475 Club Elects Schulz

EDWIN W. SCHULZ of L. F. Dommerich & Co., New York, has been elected president of the 475 Club, succeeding A. Jems Smith of J. P. Stevens & Co. Newly elected vice presidents are T. Martin Cahill, Bankers Trust Company, and A. S. Mannes of Coleman & Co.

THE CREDIT CONGRESS

(Continued from page 31)

Mayor Raymond R. Tucker of St. Louis— and closed with greetings from Mayor Norris Poulson of Los Angeles.

Top authorities in three major areas of transportation—railroad, airline, and trucking—participated in a highlight panel discussion of "Transportation's Future and Its Effect on Our Economy," a topic of immediate concern to credit management in movement of goods, in both speed and cost considerations.

William F. Schroer, assistant treasurer of John Fabick Tractor Co., St. Louis, introduced Arthur E. Atkinson, chairman of the board, Wabash Railroad Company, St. Louis; Charles E. Thomas, president of Trans World Airlines, Inc., New York; and Welby M. Frantz, president of American Trucking Associations, Inc., Washington, D.C. (A detailed report of their discussion will be published in a future issue.)

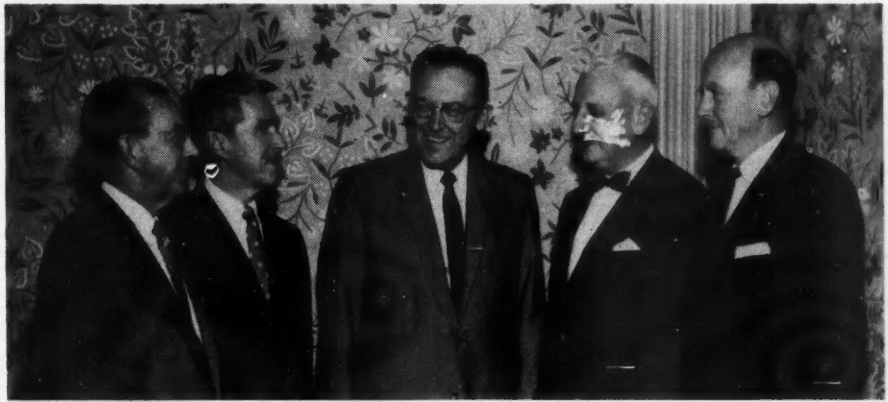
All three speakers agreed that integration of transportation services would be helpful to public and system alike in combating the sharp competition, but they disagreed on the extent of such integration.

Atkinson for Common Ownership

Said Mr. Atkinson: "The railroads believe there is no remaining public interest in preventing common ownership of rail, motor, air, or water operations, and feel that such common ownership would strengthen the common carrier system by enabling such companies to make maximum use of the advantages of each form of transportation.

"We fully expect the climate for effecting such voluntary combinations of both railroads and other forms of transportation will be more favorable in the future." Then, he added, the road will be open to eliminate duplicate facilities, dispose of obsolete plants and reduce overhead costs. Enabling legislation would be required, including shorter depreciation periods on rail plant and equipment, with writeoff within 20 years at most.

(Continued on page 36)



NEW OFFICERS of the Credit Research Foundation, Inc., headed by Irwin Stumborg (center), assistant treasurer The Baldwin Piano Co., Cincinnati, and past president NACM. Left to right: vice president in charge of research, Harold J. Kneuker, assistant treasurer American Machine & Foundry Co., New York; vice president-finance, James F. Welsh, vice president and secretary McCormick & Co., Inc., Baltimore, past divisional vice president NACM; Mr. Stumborg, last year CRF vice president-promotion; James H. Donovan, assistant treasurer Jones & Laughlin Steel Corp., Pittsburgh, vice president-professional development and education, past NACM president; and L. B. Houghton, treasurer Union Oil Co. of California, Los Angeles, vice president-promotion and development.

Credit Research Foundation Elects Stumborg and Four Vice Presidents

Irwin Stumborg, assistant treasurer of The Baldwin Piano Company, Cincinnati, and past president of the National Association of Credit Management, is the newly elected president of the Credit Research Foundation, Inc. He served last year as vice president-promotion.

Mr. Stumborg succeeds B. F. Edwards, Jr., vice president and president's assistant-personnel, Bank of America NT&SA, San Francisco.

Named vice presidents of the Foundation at the annual meeting at the Credit Congress in St. Louis, were the following:

Harold J. Kneuker, assistant treasurer American Machine & Foundry Co., New York, vice president in

charge of research; James F. Welsh, vice president and secretary McCormick & Co., Inc., Baltimore, vice president-finance; James H. Donovan, assistant treasurer of Jones & Laughlin Steel Corp., Pittsburgh, past president NACM, Foundation vice president in charge of professional development and education; and L. B. Houghton, treasurer Union Oil Co. of California, Los Angeles, vice president in charge of promotion and development.

Newly Elected Trustees

The following are newly elected trustees of the Foundation for three-year terms:

C. Callaway, Jr., treasurer Crystal Springs Bleachery, Chickamauga, Ga., past NACM president; Vern S. Ames, general credit manager Kimberly Clark Corp., Neenah, Wis.; Mr. Donovan; Mr. Welsh; Paul J. Viall, treasurer Chattanooga Medicine Co., Chattanooga, past NACM president; Stephen F. Sayer, vice president The First Pennsylvania Banking & Trust Co., Philadelphia, NACM vice president Eastern division; and John C. Wiesner, assistant treasurer California Packing Corp., San Francisco.

William L. Holmes, immediate past president NACM, assistant treasurer and general credit manager of Schlumberger Well Surveying Corp., Houston, was elected to a one-year term as trustee.



THE PRESS INTERVIEWS J. WESLEY McAFEE, president of Union Electric Company, St. Louis, a feature of the Thursday plenary session. L to R: Mr. McAfee, Irving Dilliard, formerly with St. Louis Post-Dispatch; Ted Schafers, Globe-Democrat; Fred Stannard, Jr., Wall Street Journal; and Parker Wheatley, KMOX-TV.



AT CREDIT WOMEN'S FORUM MEETING. Left to right at head table: Mary McGraw, The Binghamton Container Co., Binghamton, N. Y., vice chairman-membership, National Credit Women's Executive Committee; Margaret Hail, Chattanooga Medicine Co., publicity; Marie Ferguson, NACM, secretary; moderator Marlis Rick, Minneapolis Honeywell Regulator Co.; Alta Sethaler, Central Electric Supply, Denver, NCWEC chairman; and Mildred McCall, Walter H. Johnson Candy Co., Chicago, vice chairman-education.

Credit Women Observe 35th Year; Awards to Birmingham, San Antonio

OBSERVANCE of the 35th anniversary of the Credit Women's Groups at the Credit Congress in St. Louis was the occasion for discussion of programs both to widen recognition of the rapidly growing place of credit women in building the sales volumes of their companies and to expand the membership activities and so increase the number of Groups.

With the formation of a unit at Houston, with 15 charter members, there now are 58 Credit Women's Groups in the United States, and the number in Canada grew to four with organization of a new Group at Victoria, B.C.

In the past year, 38 Groups have awarded 77 scholarships.

More than 85 women are serving on the boards of local associations. Miss Blanche M. Scanlon, Coffee Division, Nash Finch Co., Minneapolis, continues on the board of NACM in her three-year term; Mrs. Ellen Anderson, Oakland, was a 1958-60 director.

Thirty Groups obtained 105 new NACM members in the past year. The NACM plaque for first place was won by the Credit Women's Group of Birmingham. Second place, Credit Women's Executive Committee award, went to San Antonio. (Pictures in Pictorial Section)

At the annual business meeting, Mrs. Alta Sethaler, Central Electric

Supply Co., Denver, paid tribute to the services of the vice chairmen and Miss F. Marie Ferguson, secretary-treasurer.

Vice chairmen the past year were Miss Margaret Hail, publicity, Chattanooga Medicine Co., Chattanooga; Miss Mildred McCall, education, Walter H. Johnson Candy Co., Chicago; and Mrs. Mary McGraw, membership, Binghamton Container Co., Binghamton, N. Y.

Miss Marlis Rick of Minneapolis was moderator at the Credit Women's Forum Meeting.

National's New Official Family

SHOWN on the opposite page are members of the new executive family of the National Association of Credit Management—officers and directors for 1960-1961. The president and four divisional vice presidents are also directors, and past presidents William L. Holmes, James H. Donovan and J. Allen Walker are advisory directors, Asterisk preceding name designates newly elected.

*RALPH E. BROWN, NACM President, Vice President Marsh & McLennan, Inc., St. Louis, Mo.

*FRED FLOM, Vice President Central Division, Director of Credit & Adjustment Detroit Edison Co., Detroit, Mich.

STEPHEN F. SAYER, Vice President, Eastern Division, Vice President The First Pennsylvania Banking & Trust Co., Philadelphia, Pa.

*B. EARLE WALKER, Vice President, South-

ern Division, Vice President, Treasurer and Credit Manager C. M. McClung & Co., Inc., Knoxville, Tenn.
GILBERT W. SITES, Vice President Western Division, Credit Manager The Times-Mirror Company, Los Angeles, Calif.

DIRECTORS

*MILTON H. ANDERSON, District Financial Manager Graybar Electric Company, Cincinnati, O.

*JOHN W. BOWYER, Vice President and Treasurer Omaha Steel Works, Omaha, Neb.

*GEORGE T. BRIAN, JR., Vice President Noxzema Chemical Co., Baltimore, Md.

JAMES W. CARPENTER, Vice President Union Bank of Michigan, Grand Rapids, Mich.

CLYDE C. CREWS, Vice President Frost National Bank, San Antonio, Texas.

WILLIAM M. EDENS, Second Vice President Continental Illinois National Bank and Trust Company of Chicago, Chicago, Ill.

RICHARD B. EYDE, Credit Manager J. A. Folger & Company, San Francisco, Calif.

EARL N. FELIO, Treasurer, Assistant Secretary, General Credit Manager, Colgate-Palmolive Company, New York, N. Y.

NED M. FRENCH, Treasurer McDonald Brothers Co., Inc., Memphis, Tenn.

*E. F. GUEBLE, General Credit Manager, The Garrett Corporation, Los Angeles, Calif. (Previously completed year of the late Leon H. Stacy.)

IVAN L. HILLMAN, Treasurer, Dravo Corporation, Pittsburgh, Pa.

*WALLACE R. HITCHCOCK, Secretary-Treasurer, The United Clay Products Co., Washington, D.C.

DAVID H. HOTCHKISS, Assistant Treasurer, The Petrequin Paper Co., Cleveland, O.

NORBERT S. HOUSE, Treasurer & Controller, The Howard Zink Corporation, Fremont, Ohio

*THEODORE A. JOHNSON, Credit Manager, The Youngstown Sheet & Tube Co., Youngstown, Ohio

*DUNTON D. KELLY, Secretary & Treasurer, The Galigher Company, Salt Lake City, Utah

ELMER M. KROENING, General Credit Manager, Allen-Bradley Co., Milwaukee, Wis.

J. A. LANDALE, President, Colonial Textile Service, San Diego, Calif.

CONRAD W. MATTSON, Credit & Office Manager, Grinnell Company of the Pacific, Seattle, Wash.

*RUSSELL L. MOORE, Secretary-Treasurer, Mosher Steel Company, Houston, Texas

RICHARD F. NEWTON, Credit Manager, J. Russell & Co., Inc., Holyoke, Mass.

*JASPER C. OSBORNE, Vice President, Trust Company of Georgia, Atlanta, Ga.

CHARLES W. PRITCHARD, Treasurer, General Dynamics Corp. — Stromberg-Carlson, Div., Rochester, N.Y.

*JAMES W. SATTAZAHN, Credit Manager, Scott Paper Company, Chester, Pa.

MISS BLANCHE M. SCANLON, Asst. General Manager Coffee Division, Nash Finch Company, Minneapolis, Minn.

SIDNEY A. STEIN, President, Stein Factors Corporation, New York, N.Y.

*MILTON TSCHACHE, Vice President & Treasurer, Columbia Electric & Manufacturing Co., Spokane, Wash.

N.A.C.M. Officers and Directors Elected at St. Louis Congress



R. E. BROWN
President



FRED FLOOM
V. P. Central Div.



S. F. SAYER
V. P. Eastern Div.



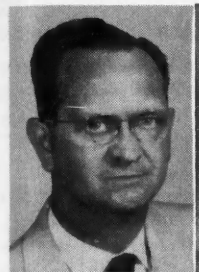
B. E. WALKER
V. P. Southern Div.



G. W. SITES
V. P. Western Div.



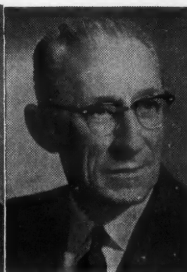
E. B. MORAN
Executive V. P.



W. L. HOLMES
Immediate Past Pres.



J. H. DONOVAN
Past Pres.



J. A. WALKER
Past Pres.



S. J. HAIDER
Vice Pres.



P. J. GRAY
Secretary



W. J. McDONALD
Treasurer



R. L. ROPER
Asst. Secty.



MRS. WOODRUFF
Asst. Treas.



M. H. ANDERSON



J. W. BOWYER



G. T. BRIAN, JR.



J. W. CARPENTER



C. C. CREWS



W. M. EDENS



R. B. EYDE



E. N. FELIO



N. M. FRENCH



E. F. GUEBLE



I. L. HILLMAN



W. R. HITCHCOCK



D. H. HOTCHKISS



N. S. HOUSE



T. A. JOHNSON



D. D. KELLY



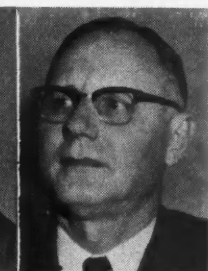
E. M. KROENING



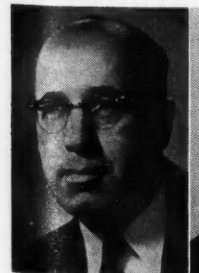
J. A. LANDALE



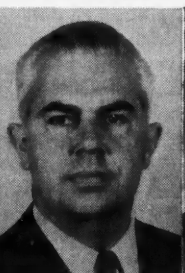
C. W. MATTSON



R. L. MOORE



R. F. NEWTON



J. C. OSBORNE



C. W. PRITCHARD



J. W. SATTAZAHN



BLANCHE SCANLON



S. A. STEIN



M. TSCHACHE

Creditman Destined for Vital Role

This Decade, Blake Tells Convention

THE MIDDLEMAN and the credit manager will play even larger roles in this decade of economic advancement, said William H. Blake, executive vice president of the National Retail Credit Association, bringing greetings for its 50,000 members to the 64th Annual Credit Congress, in St. Louis.

"America's economic growth in the Sixties will depend more than ever upon the middlemen to distribute the products of its great productive plants," said Mr. Blake, who succeeded Lindley S. Crowder on the latter's retirement. "The common thread of credit extends throughout the fields of production, distribution and consumption. It is credit that made our great business enterprise system possible. The credit manager will play a vital role in the decade, for certainly credit will continue to be the important key to consumption."

Noting that for both credit organizations the future is particularly bright, with many opportunities ("We must clearly identify our objectives, accept the challenge, and move forward with a positive program"), Mr. Blake told of a recent meeting with Edwin B. Moran, NACM executive vice president.

"We discussed the future of our organizations. Mr. Moran suggested that our groups should consider closer cooperation in areas of mutual interest. We welcome the opportunity

and hope that in the not-too-distant future a joint committee will be created to explore this suggestion and make some definite recommendations."

Mr. Blake sketched the history of NRCA, founded in 1912 and now serving the consumer nationwide and in Canada and 15 foreign countries, with 25 different segments of the retail credit business represented in 12 district organizations and 350 local associations.

The National Retail Credit Institute, founded last year, is to become the official accrediting division of NRCA, he said, offering the Certified Consumer Credit Executive certificate as the first step in "professionalization of the consumer credit sales granter".

The Institute will also make available correspondence study, adult education extension classes, a retail research program, and other programs. "More than 100,000 credit sales executives have used NRCA training materials in their local credit schools. Its texts and reference books, written by experienced educators with the counsel of leading credit sales executives, are considered the finest on the subject." They are used in the association's extension courses and in institutes and universities.

The association's monthly publication, "The Credit World", has an official circulation of 52,000, the convention was told.

CREDIT CONGRESS

(Continued from page 33)

Mr. Thomas, in the same vein, declared that "a forward-looking system of integrated transportation is most vital to the wellbeing of our nation."

"In recognition of the tremendous capital requirements of re-equipping in the present jet age, and the terrific economic penalties of flying half-empty airplanes," he explained, "there have been indications of a favorable hearing for mergers if they are in the public interest. In my opinion, the public will be better served by a few strong carriers competing vigorously than by the ineffectual efforts of a multitude of marginal operators, all diluting their services."

"Our airlines today are earning about one-half of the return on invested capital



WILLIAM H. BLAKE, executive vice president of the National Retail Credit Association, brings official greetings to NACM.

that was recommended just a few weeks ago by the Civil Aeronautics Board.

"The reduction of wasteful government competition with the airlines would also benefit the public without in any way injuring other forms of transportation."

He cited the government's Military Air Transport Service, which, he charged, "has turned from the hard core function of providing military airlift for national defense to one of competing directly with civilian airlines. It is as if the government ran its own rail service parallel to the excellent civilian railroads in this country."

"During this fiscal year, 93 per cent of the passenger and 89 per cent of the cargo traffic carried by MATS will move over routes now served by commercial airlines."

Frantz Opposes Monopoly

Mr. Frantz agreed that all forms of transport must cooperate to "fulfill our national potentials for good and secure living," but he emphasized that "the public interest dictates that two competing forms should not get into the hands of anyone who might advance one form at the expense of another."

"We are convinced," he added, "that independent trucking companies and railroads can unite their services to serve the shippers without operating under a single ownership, which assuredly would lead to monopolistic management. Many independent railroads work together on coast-to-coast hauls."

A Rollicking Satire

The interest shown by the credit executives in the panel discussion of transportation was kept at high pitch by the novel feature which followed—a rollicking play in three acts ribbing proceedings in a bankruptcy court hearing.

The presentation, "The Voice of the Gavel," brought to the Credit Congress the following principals from Los Angeles: Ronald Walker, referee in bankruptcy, U.S. district court; Mayor Norris Poulson; Jack Stutman, author of the play; and Jerry Nemer, member of the State Bar of California.

(Continued on next page, col. 1)



JOSEPH F. HOLLAND, special assistant to the publisher, St. Louis Post-Dispatch, addresses the convention on "The Obligation to be Informed—and the Opportunity."

The Membership Award Winners

FIVE-YEAR

Pittsburgh—Class AA
Portland—Class A
Springfield—Class B
Jacksonville—Class C
Phoenix—Class D
Erie—Class E
Central Missouri—Class F
Jackson, Mich.—Class G

ONE-YEAR

New York—Class AA
Portland—Class A
Birmingham—Class B
San Antonio—Class C
Tampa—Class D
Hartford—Class E
Corpus Christi—Class F
Northern Alabama—Class G

SPECIAL HONORS

Indianapolis—217 months of consecutive net gain.
Indianapolis, San Diego, Los Angeles, Dallas and Toledo—largest number of months of consecutive net gain.
Credit Women's Groups—First place, Birmingham; second place San Antonio.
Royal Order of Zebras—James Orr, Birmingham.
To Cleveland Association—NACM Insurance Advisory Council Meritorious Achievement Award.
American Petroleum Credit Association Awards—Albert B. Senne, Akron, and John C. Weaver, Denver.
Three Graduate School scholarships announced by F. J. Lanning, general manager Motor & Equipment Manufacturing Association.

CREDIT CONGRESS

(Continued from preceding page)

The script portrayed the tribulations of a distressed debtor and the problems of the creditors, the hearings before the referee in a Chapter XI proceeding. Mayor Poulson played a vigorous supporting role, as did members of the local Bar and credit executives.

Tuesday, following Credit Congress tradition, was devoted solely to Industry Meetings, under the general direction of P. J. Wilder, credit manager Century Electric Co., St. Louis. The 255 speakers formally programmed for the day, in 31 Industry Groups' separate sessions, included authori-



SPECIAL HONORS for a record of 217 months of consecutive net gain in membership go to the Indianapolis association, represented by Lowell R. Edmondson (center), Eli Lilly & Co., president, and Ralph Johns, secretary-manager. A standing ovation was given Edwin B. Moran when he began presenting the special awards. San Diego, Los Angeles, Dallas and Toledo were runners-up, in that order. (See Pictorial Section.)

ties of national note in credit and finance and there were many panel presentations of practicable solutions of operational complications. Add the countless participants in the question-and-answer periods that followed practically all speeches, and delegates obviously carried a wealth of usable ideas home to their office desks.

Authorities Address Groups

Economic trends, business prospects for the second half of 1960, and specific problems in credit applications to individual fields were analyzed by officers of Federal Reserve Banks, by educators, specialists, commercial company presidents, government representatives, advertising and public relations executives, architects, contractors, accountants, and many others. Several talks by referees and other attorneys reflected recognition of the accelerated increase of bankruptcies.



HONORING John dePass (right) National-U. S. Radiator Division, Crane Company, Johnstown, Pa., for his services as Grand Exalted Superzeb, the Royal Order of Zebras presents him with a set of star sapphire cufflinks. Officiating is J. D. Sansoni, Avondale Marine Ways, New Orleans, past GES.

The Bankers Group meeting was introduced by Arthur F. Boettcher, president of Robert Morris Associates, national organization of bank loan officers. Mr. Boettcher is senior vice president of The Boatmen's National Bank of St. Louis.

Among guest speakers at joint meetings were Alexander Henderson, executive director of Gerontological Research Foundation; Miss Aline E. Hower, letter writing counselor; Paul A. Henscher, director of management advisory service, Price Waterhouse Co.; James G. Conzelman, vice president of D'Arcy Advertising Co., former coach of the pro football Cardinals, one-time league champions.

Among educators who addressed industry meetings, additional to those who participated in plenary sessions, were Dr. Carl A. Dauten, Dr. Merle T. Welshans and Dr. Gerald Nadler, all of Washington University.

William H. Blake, executive vice president of the National Retail Credit Association, bespeaking its members' welcome to the NACM, said that "America's economic growth in the Sixties will depend more than ever upon the middlemen to distribute the products of its great productive plants," and "the credit manager will play a vital role in the decade." (Article on opposite page.)

Mr. Blake said his organization welcomed the opportunity for closer cooperation between the two associations in areas of mutual interest.

"Fat or Friction"?

Discussing "Fat or Friction," two schools of thought on causation of America's dubious distinction as world leader in heart disease, Kenneth C. Price, M.D., noted heart specialist, advanced a decalog of do's and don'ts for speedy admittance to the "Coronary Club." These would be the rules prescribed by adherents of the Friction Theory, attributing the disease to "the tension, anxiety, hostility and insatiable ambition, so characteristic of our culture."

For those who champion the Fat Theory,

Dr. Price outlined the results of "fatistical" studies in Sweden which showed that the number of instances of arterial disease fell off (in terms of autopsy revelations) during the food rationing years of World War II, then rose to pre-war levels when luxury foods were reintroduced. (Article on opposite page)

Panel on Retirement

"Retirement—in Spite of Inflation" brought to panel discussion the viewpoints of the pension consultant and the corporate trustee, and a picturization of inflation, present and recent past. In summing up, the moderator, Dr. Arthur Mason, Jr., assistant dean, school of business and public administration, Washington University, sighted and cited three guideposts for the individual in charting his course for retirement livelihood under inflation: (1) Determine what supplement to the pension is to be adopted; (2) how to raise that supplement; and (3) how to handle investment of it. (Detailed panel presentations in a future issue).

Dean Stephan W. Vasquez, school of commerce and finance, Saint Louis University, broke a path for the discussions by sketching various definitions of inflation. He pointed out that since 1940 the consumer and wholesale price indexes have more than doubled. Nevertheless, he cautioned, "as serious as is the problem of inflation, it is to be hoped that we do not over-exaggerate its evils. We must not in our anxiety neglect our responsibility of seeing to it that our economy attains its full growth potential."

James S. Ely, assistant vice president

Marsh & McLennan, Inc., speaking from the standpoint of the pension consultant, said that a man who retired in 1945 at age 65 with \$35,000 in savings put into a life annuity at \$200 a month, would find this income reduced 42 per cent in terms of goods and services today.

Mr. Ely added that an estimated 50,000 retirement plans had been placed in operation by businesses since World War II, with 20 million persons now covered, but that, as the proportion of retired workers increases, companies are finding pension plans very expensive.

He proposed a variable annuity plan to which the worker contributes with funds invested largely in common stocks as a hedge against inflation.

The Corporate Trustee View

Hugh A. Logan, vice president St. Louis Union Trust Co., explained, from the corporate trustee's point of view, the advantages of investing pension funds in common stocks.

Because emergency cash is seldom needed under a properly funded pension plan, he pointed out, "only under the rarest of circumstances are securities required to be sold, and thus one of the greatest hazards of common stock investment—being forced to sell securities at the wrong time—for all practical purposes does not exist."

Credit for Production Growth

Dr. Charles F. Phillips, president of Bates College, Lewiston, Maine, addressing the final plenary session, summoned man-

agement to a personal role to use credit as a lever to encourage production growth while keeping out the abuses of credit.

"The fact gradually has become clear that increase of wages in excess of product growth does spell inflation," Dr. Bates declared. "A problem we face today is the proper relation between wages and productivity. They should go up together. One-third of all labor contracts today have escalator clauses. Practically, in manufacturing, relatively as against production gain per man at 33 per cent, wages have risen 60 per cent. Hence the cost-push factor."

Lower Prices the Answer

"Furthermore, wage gains which equal the productivity gains are still bad. We would be better off if production increase were so great that it would spill over into lowered prices. The benefit to labor and public would be threefold. Our standard of living would rise, production overflow would protect the home market, in which we are being undersold in many areas, and it would expand our market abroad."

"To an important degree the future growth of employment in this country and the prosperity of our economy depend upon our ability to meet foreign competition both at home and abroad. We can meet such competition if we reflect our rising production efficiency in falling prices rather than in higher wages."

"The impact of foreign competition shows itself in two ways. First, it is felt through the flow of imports to this country. Second, it shows up in our export business. To expand our markets abroad we must meet the prices quoted in these markets by foreign competitors. Otherwise, our manufacturers lose sales, and must cut back their production and lay off workers."

"There will be more recessions to fight, for the economy has its ups and downs. We got out of the last one by massive spending programs. Another way, and a better one, is a tax reduction program. President Eisenhower did it, and it works faster, providing more money to spend, and cheaper. The disadvantage of national emergency building programs is that they become political headaches and cannot be shaken off later when they are not needed."

How can we best make productivity grow faster than Russia's? Dr. Phillips noted that the rate of increase of the Soviet Union's gross national product is double ours—8 per cent versus 4 per cent. Part explanation is that less than 8 per cent of Russian children attend college; in the United States it's 36 per cent.

"If we do the obvious things we'll still be ahead," the educator declared. "They are: (1) Increase our capital investment; (2) Change depreciation requirements; and (3) reduce our tax structure."

The final guest appearance lent another fresh touch to Credit Congress programming. J. Wesley McAfee, president of Union Electric Company, St. Louis, was in-



PRESIDENT W. L. HOLMES, at annual luncheon of Royal Order of Zebras, commends the organization for its membership record of the past year, in which two new units were chartered, at Dayton and Columbus, increasing the total to 14 Herds.

Standing, left to right: Paul Taggart, Grand Zebratary-Zebrayer, Credit Assn. of Western Pa., Pittsburgh; Larry R. Folda, L. R. Folda Co., Lemon Grove, Calif.; Mr. Holmes; Grand Exalted Superzebelect William A. Ware, Van Waters & Rogers, Inc., Los Angeles; and GES 1959-60 John G. dePass, National-U. S. Radiator Div., Crane Co., Johnstown, Pa.

Seated (l to r): Past Exalted Superzebs J. D. Sansoni, Avondale Marine Ways, New Orleans; Thomas D. Sheriff, Hamburg Brothers, Inc., Pittsburgh; E. F. Gueble, The Garrett Corp., Los Angeles; and Lester C. Scott, E. L. Bruce Co., Memphis.

interviewed on the dais by representatives of press and television; Irving Dilliard, formerly with the Post-Dispatch; Ted Schafers, Globe-Democrat; Fred Stannard, Jr., Wall Street Journal, and Parker Wheatley, KMOX-TV.

Only very gradually will atomic energy supplant other types of fuel in commercial operations, Mr. McAfee predicted. While atomic fuel can be produced at a favorable comparative cost, the rub is the tremendous cost of an atomic power plant, he explained. "Unless some major break-through is made for converting electricity to atomic power without use of a generator," he said, "other power companies need feel no apprehension of losing business to atomic fuel."

Came then the recognition of convention committees by S. J. Haider, NACM vice president and convention director; presentation of merit certificates to the outgoing vice presidents and directors; the invitation to Denver for the 65th Credit Congress May 14-18, 1961; the business session; fanfare and parade of escorting the new officers to the rostrum; the presentation of a solid silver service to Mr. and Mrs. Holmes—and the joining of hands for "Auld Lang Syne."

Warns Against "Percentagitis," Sees 6 Per Cent Business Rise

While sounding a warning against the "disease of Percentagitis", symptomized by disappointment that annual percentage gains of business have become smaller and irregular, Walter E. Hoadley, Jr., treasurer of Armstrong Cork Company, Lancaster, Pa., points to the prevalent forecasts of a 6 per cent rise for 1960 to support his prediction that many industries and areas will establish still higher records.

Addressing the Alabama Bottlers Association at Birmingham, Mr. Hoadley cited several reasons for excellent opportunities in the decade ahead. Thus: 15 per cent increase of national population, up to 40 per cent more income by 1970, much larger markets at home and abroad, and spectacular developments in technology and new products through more intensified research.

However, a tremendous test of the American system lies ahead, he said, calling for a "fight every day" for a sound dollar, more efficient production, and a tax policy which "fosters initiative rather than stifles it."

**WRITE unto others as
you would have them
WRITE unto you.**

—Anonymous

Heart Specialist Offers Rules to Avoid Rush into the Coronary Club

WANT TO KNOW how to qualify for the Coronary Club? Kenneth C. Price, M.D., noted heart specialist, addressing the 64th Annual Credit Congress in St. Louis, presented the following decalog as a sure guide to acceptance for club membership:

1. Go to the office evenings, Saturdays, Sundays and holidays. "Personal considerations are secondary."
2. Take the briefcase home evenings and weekends. "You can review all the troubles and worries at your leisure."
3. Never say NO. "Accept all invitations to meetings, banquets, committees."
4. If you hold night meetings, be on the job early next morning. "This impresses the boss (Tomorrow night is another meeting)."
5. Don't eat restful, relaxing meals. "Always plan a conference for the meal hour, or rush out and 'grab a quickie'."
6. Regard fishing, hunting, golf, bowling and gardening as a "waste of time and money."
7. Believe it's a poor policy to take all the vacation allowed. "Keep in touch with the office daily."
8. Never delegate responsibility to others. "Carry the entire load yourself at all times."
9. If your work calls for traveling, "work all day and drive all night" to keep the next morning's appointments.
10. "Above all," after your custom-

ers have gone to bed, get those reports and orders in the mail to the home office.

With "Fat or Friction" as his topic, Dr. Price told the members of the National Association of Credit Management that the above rules would be the prescription written by adherents of the Friction Theory for "those who feel that the tension, anxiety, hostility and insatiable ambition, so characteristic of our culture, are the principal reasons we are world leaders in coronary heart disease". And, he added, "studies of individuals who have experienced heart attacks indicate that many of them live by these rules."

For the Fat Theory, the "Jack Spratt" school of thought on the cause of heart disease (variously termed heart attack, coronary thrombosis, coronary occlusion), Dr. Price drew analogies from laboratory experiments with rabbits and chickens, and from the results of "fatistical" studies in Sweden. Autopsies indicated the degree of arterial disease declined during the food rationing years of World War II, then rose above pre-war levels when luxury foods were reintroduced.

Draws from Both Theories

Neither theory should be ignored, the credit executives were advised. "Certain personality traits are strongly related to heart disease", while there is "much accumulated evidence that this disease is fundamentally due to an error in the way the body handles fats and that the type of fat we eat may significantly alter this."

Dr. Price drew from both theories in making up his own set of rules to minimize heart disease:

1. Do not overeat. 2. Reduce to a minimum the solid fats in your diet. 3. Observe a daily routine of relaxation and exercise. 4. Analyze your work routine; eliminate recurrent aggravations. 5. Reduce outside obligations. 6. "Cigaretts do not cause heart disease but there is little doubt smoking makes existing disease worse." 7. Be philosophical . . . "I love to live among threats—They are hazards only because I am alive."



S. J. HAIDER, convention director and NACM staff vice president, presents all the committees' chairmen for recognition of their outstanding services.



B. F. Edwards, Jr., F. J. Lanning

Graduate School Alumni Name Carol M. Cook to Presidency

Carol M. Cook (Stanford, 1957), of Brown Forman Distillers Corp., Louisville, is 1960-61 president of the Alumni Association of NACM's Graduate School of Credit and Financial Management.

Other newly named officers are: vice president, Mrs. Helen F. Block (Dartmouth, 1955), Tee-Pak, Inc., Chicago; treasurer, Herman J. Hoff, Jr. (S'58) Pacific Finance Corp., Los Angeles; secretary, Edward R. Costello (D'53), Edgcomb Steel Co., Philadelphia.

Newly elected directors (term expires 1963) are William H. Johnson (S'54), Crocker-Anglo National Bank, Sacramento; Ernest P. Cipriano (S'57), Western Lock Mfg. Co., Huntington Park, Calif., and Jean C. Broeren (D'57), Thorp Finance Corp., Thorpe, Wis.

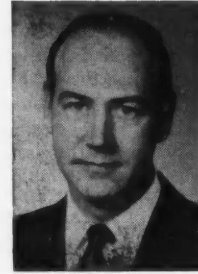
Lanning Presents Graduate Schools Scholarships of MEMA to 3 Winners



R. L. HUGHES



C. W. HARRIMAN



GEORGE SHELBY



F. J. LANNING

THREE credit executives whose essays were adjudged outstanding in the competition conducted by the Motor and Equipment Manufacturers Association were awarded one-year scholarships to the Graduate School of Credit and Financial Management, at Thursday's plenary session of NACM's 64th Annual Credit Congress, in St. Louis.

The three winners are: (for the Dartmouth College session) Robert L. Hughes, general credit manager Gould-National Batteries, Inc., St. Paul, and C. W. Harriman, assistant credit manager The A. P. Parts Corporation, Toledo; (for Stanford University) George E. Shelby, assistant credit manager Bussmann Manufacturing Division, McGraw Edison Company, St. Louis.

The announcement was made by Frederic J. Lanning, of New York,

MEMA general manager, who was introduced by B. F. Edwards, Jr., vice president Bank of America NT&SA, San Francisco, president of NACM's Credit Research Foundation, Inc. John L. Howell, general credit manager The Timken Roller Bearing Company, Canton, Ohio, was chairman of the awards committee.

Mr. Lanning, who joined MEMA in 1928, was promoted to assistant manager of its credit department in 1937, to credit manager in 1954 and general manager four years later. He had attended Columbia University's school of business and New York Institute of Credit. He was Institute president in 1936 and has served on its board of governors 23 years. He is a member of the general legislative committee, division on bankruptcy law, New York Credit & Financial Management Association, and on the National Association of Manufacturers committee on money, capital formation and taxation.

Each year the MEMA awards three Graduate School scholarships to credit executives for development of greater effectiveness in credit operation. Contestants in essays of 250 words explain why they feel qualified for the award.

The 14th session of the Graduate School at Dartmouth will be held July 31-August 13; the ninth session at Stanford is June 26-July 9.

L. J. Ertel, Dies at 63

Leonard J. Ertel, treasurer and a director of The Standard Register Company, Dayton, Ohio, died unexpectedly. Mr. Ertel joined Standard in 1931 as head of the accounting department. He became treasurer in 1957.



GRADUATE SCHOOL Alumni Association officers at annual breakfast at Credit Congress. (L to R) Herman J. Hoff, Jr. (S'58), Pacific Finance Corp., Los Angeles, new treasurer of alumni unit; William H. Johnson (S'54), Crocker-Anglo National Bank, Sacramento, retiring president; William P. Layton, executive director Graduate School; and Mrs. Helen F. Block (D'55), Tee-Pak, Inc., Chicago, newly elected vice president.

Electronic Computer Line Swells Philco 1959 Volume

Philco Corporation reported sales in 1959 totaled \$397,792,000, an increase of 13 per cent over 1958's \$351,093,000. Earnings for the year aggregated \$7,176,000 compared with \$2,874,000 in the recession year of 1958. Although consumer products accounted for 66 per cent of total volume, the year was marked by major developments in the computer field, with a 20 per cent increase in volume reported by Philco's Government and Industrial divisions.

Demand for the Philco Transac 2000 large-scale electronic computer led to formation last year of a separate computer division, and a multi-million dollar facility for computer manufacture has been constructed in Willow Grove, Pa. The company reports a number of orders received also for the new Transac C-3000 industrial control computer.

Personnel Mart

Experienced Executive

CREDIT MANAGER—Heavy credit administration. Diversified products, accounts well into six figures. Domestic and export. NACM Graduate School — Dartmouth '58. General Management experience. Age 36. Relocate, salary open. Write CFM Box #502 for resume.

Credit Manager Available

CREDIT & COLLECTION MANAGER. Control of Accounts Receivable. 15 years experience with major electrical manufacturer. Selling to wholesale trade of Electrical, Hardware and Plumbing. Background of accounting and machine accounting. Highly accepted by Sales & Management. Minimum salary \$12,000. CFM Box #505.

Assistant Treasurer

EXECUTIVE with 13 years Financial and Business experience including financial planning and forecasting, analysis, capital budgets, investments and contracts. Capable administrator and coordinator. Cornell graduate, Economics major. Age 40, married. Resumé on request. CFM Box #506.

CALENDAR OF EVENTS IMPORTANT TO CREDIT

PALO ALTO, CALIFORNIA

June 26-July 9

Stanford University Session of the NACM Graduate School of Credit and Financial Management

HANOVER, NEW HAMPSHIRE

July 31-Aug. 13

Dartmouth College Session of the NACM Graduate School of Credit and Financial Management

SAN ANTONIO, TEXAS

September 15-17

Annual Southwest Credit Conference, including Texas, Arizona, Arkansas, Louisiana, New Mexico and Oklahoma

FORT WAYNE, INDIANA

September 22-23

Great Lakes Regional Credit Conference, including Illinois, Indiana, Michigan and Wisconsin

ST. PAUL, MINNESOTA

September 23-24

North Central Credit Conference including Minnesota, North Dakota, Manitoba

DENVER, COLORADO

September 25-28

46th Annual Fall Conference of Robert Morris Associates

NEW YORK, NEW YORK

September 29-30

New York Credit Management Workshop

ATLANTA, GEORGIA

October 12-14

Annual Southeastern Credit Conference, covering Tennessee, Mississippi, Alabama, Georgia, Florida, South Carolina, North Carolina, Louisiana

NEW YORK, NEW YORK

October 9-12

36th Annual Conference of American Petroleum Credit Association

LOUISVILLE, KENTUCKY

October 14-16

Twentieth Annual Midwest Credit Women's Conference

DES MOINES, IOWA

October 19-21

Tri-State Credit Conference, representing Iowa, Nebraska and South Dakota

SAN DIEGO, CALIFORNIA

October 20-21

Pacific Southwest Credit Conference, including California, Arizona, Utah, Colorado, Nevada

BALTIMORE, MARYLAND

October 20-22

NACM Eastern Division Credit Conference

PHOENIX, ARIZONA

October 24-26

Annual Meeting of Western Division Secretary-Managers

CINCINNATI, OHIO

October 27-28

Ohio Valley Regional Credit Conference, including Ohio, Western Pennsylvania, West Virginia, Kentucky and Eastern Michigan.

DENVER, COLORADO

May 11-13, 1961

NACM Secretary-Managers Annual Conference

DENVER, COLORADO

May 14-18, 1961

65th Annual Credit Congress



Reports from the Field

CINCINNATI, OHIO.—Posing the question "Credit—What Is It?" speaker Paul W. Cutshall, credit manager South-Western Publishing Co., supplied definitions at the Credit Club Luncheon meeting of the Cincinnati Association of Credit Management.

GRAND RAPIDS, MICH.—"A Businessman in Government" was topic of State Sen. John H. Stahlin (25th District, Mich.) at the luncheon meeting of NACM (Western Michigan), Inc. Mr. Stahlin is president of Stahlin Bros. Fibre Works, Inc., Belding.

ROCHESTER, N.Y.—Various methods to calculate the break-even point were outlined by Robert E. Schellberg, general credit manager Eastman Kodak Co., at the noon meeting of the Rochester Credit & Financial Management Association's management discussion group.

James H. Donovan, assistant treasurer, Jones & Laughlin Steel Corp., Pittsburgh, past president NACM, discussed "The Importance of the Credit Function in Industry" at the management night meeting of the Rochester association.

KNOXVILLE, TENN.—"Leadership and Public Relations" was subject of Byrl Loan at the meeting of the Knoxville Wholesale Credit Association.

MINNEAPOLIS, MINN.—Dr. Ralph Robey, economic adviser to the National Association of Manufacturers, discussed "Business and Political Outlook" at the past president's night meeting of the Credit & Financial Management Association.

SAN FRANCISCO, CALIF.—Richard A. Williams, attorney Fidelity and Deposit Co. of Maryland, turned attention to the application and pitfalls surrounding the Capehart Act, for benefit of members of the Construction Industry Bureau of the Credit Managers Association of Northern and Central California.

PHILADELPHIA, PA.—Jim Low, nationally known speaker sponsored by the National Association of Manufacturers, had as his subject "Prescription for Good Leadership," at the annual meeting of the Credit Men's Association of Eastern Pennsylvania.

PROVIDENCE, R.I.—Tax fraud in relation to credit evaluation was discussed by John P. McMahon, accounting instructor Babson Institute and former Treasury Department special investigator, at the meeting of the Rhode Island Association of Credit Men.

DALLAS, TEXAS.—Personnel problems in the credit department were subject of discussion under the Dallas Association of Credit Management's education director C. G. McKellar, Medaris Company.

LOS ANGELES, CALIF.—H. C. McClellan, president Old Colony Paint & Chemical Co., who was appointed by President Eisenhower as general manager of the American National Exhibit in Moscow, was speaker at the annual meeting of the Credit Managers Association of Southern California, Inc.

PITTSBURGH, PA.—"Prospects for Mortgage and Construction Financing" were viewed by Harold L. Tweedy, president First Federal Savings & Loan Association of Pittsburgh, at the Credo luncheon meeting of the association. Stanton W. B. Wood, impartial labor arbitrator, National panel member American Arbitration Association, discussed arbitration of labor-management disputes at a subsequent meeting.

Annual joint meeting of the association with the World Trade Council brought to the dais Thomas P. Melady, president Consultants for Overseas Relations, Inc., New York City. Mr. Melady spoke on contemporary management and socio-political problems facing U.S. corporations abroad.

Richard S. Miksic, Bell Telephone Co., told "How to Collect Overdue Accounts through Phone Power" at the National Institute of Credit Triad Chapter meeting.

With the Women's Groups

BIRMINGHAM, ALA.—Officers elected by the Wholesale Credit Women's Group of the Alabama Association of Credit Executives are: Miss Annie Schoenherr, The Geo. F. Wheelock Co., chairman; Mrs. Sophie Davis, Pate Supply Co., first vice chairman; Mrs. Marjorie Edmondson, Birmingham Paper Co., second vice chairman; Mrs. Peggy Fyfe, Noland & Co., treasurer; Mrs. Mary Holder, J. M. Tull Metal & Supply Co., corresponding secretary, and Mrs. Vivian Dodd, Magic City Engraving, recording secretary. Mrs. Connie Landers, G. S. Dowdy Candy Co., past vice chairman National Credit Women's Executive Committee, was installing officer. Mrs. Betty Abney, Jones Valley Sausage Co., is immediate past chairman.

MEMPHIS, TENN.—J. W. Stickley, credit manager Plough, Inc., gave an objective view of "Women in Credit" at the meeting of the Wholesale Credit Women of the NACM-Mid South Unit.

EL PASO, TEXAS.—Panelists William Schumacher, Lone Star Motor Co., James McRimmon, Darbyshire Steel Co., and L. H. Koogler, Triangle Electric Co., discussed the subject "A Look at Credit" for members of the Credit Women's Club of the Tri-State Credit Association.

LOS ANGELES, CALIF.—Dr. Mason Rose's "Challenge of the Future" message highlighted the top management night meeting of the Credit Women's Club of the Credit Managers Association of Southern California.

PITTSBURGH, PA.—"Around the World in 40 Minutes" with Margaret Casey, Champion Mfg. Co., chairman, led the Pittsburgh Credit Women's Group on a tour of foreign countries with Alice Fisher, Westinghouse Electric Corp.; Barbara Sablaric, Hartley-Rose Co.; Eliner Stoecker, John Flocker & Co., and Oréne Kirsch as "guides." Countries which they visited individually and described were, respectively: Ireland, Mexico, Italy, Switzerland.

"So you're the young man with both feet on the ground, eh?" said the prospective father-in-law. "What do you do for a living?"
"I take orders from a man with both feet on the desk."

—Armstrong Trap Magazine

ARE YOUR

CREDIT FILES UP-TO-DATE?

KEEPING Credit Files up-to-date during rapidly changing conditions is one of the difficult tasks facing Credit Executives today. Financial Statements provide the frame-work around which to build credit files. But such Financial Statements must be up-to-date and reflect the condition of your customers at frequent intervals.

The Form shown is one of the many forms developed by the National Publications Sales Committee. It is applicable for both new accounts and small accounts already established.

It is simplified in design and carries the seal and approval of the National Association of Credit Management.

Included in this Form is a section for "Description of Insurance Protection Carried."

A Financial Statement Form for every type
of business is offered by the
National Association of Credit Management

*Write for Free Sample Book
showing the
Statement Forms available*

PUBLICATIONS DEPARTMENT

National Association of Credit Management

44 East 23rd Street

New York 10, N. Y.

ACCOUNT REVIEW

To: _____

The following information is submitted for your consideration as a basis for the extension of Credit to us:

The name of our business is _____

We operate _____ business. We have been established _____ years.

(State type and nature of business)

Our form is: Corporation ☐ Co-Partnership ☐ Limited Partnership ☐ Individual Business ☐

We are incorporated under the state laws of _____

The principal owners or stockholders and officers are, etc., etc.

NAME _____ ADDRESS _____ CITY _____

We bank at _____

Account carried under _____

Our tax returns have been cleared with the taxing authorities through 19 _____

We expect our monthly credit requirements from you to be about \$ _____

DESCRIPTION OF INSURANCE PROTECTION CARRIED

Kind	Amount	Kind	Amount
Fire Insurance on:		Employee Fidelity Bonds	
Merchandise		Burglary Insurance	
Buildings		Forgery	
Furniture & Fixtures		Life Insurance for benefit of business	
Business Interruption		Accounts Receivable	
Liability Insurance on:		Miscellaneous	
Premises			
Automobiles			
Products			
Contractual			

YOU MAY REFER TO OUR PRINCIPAL SOURCES OF SUPPLY LISTED BELOW

Name	Address	City	State

Form No. 3C (This Form Approved and Published)



Date _____, 19 _____

The following figures set forth our present financial standing and business operation upon which you may rely for the purpose of establishing our credit:

CURRENT ASSETS:

Cash on hand and in banks \$ _____

Due from customers _____

Cost value of merchandise on hand _____

Other current assets _____

TOTAL \$ _____

CURRENT LIABILITIES:

Bank loans payable within a year _____

Tax obligations due _____

Due to merchandise creditors _____

Other debts due within a year _____

TOTAL \$ _____

FIXED ASSETS:

Business equipment _____

Land used in business _____

Buildings used in business _____

Other assets _____

TOTAL \$ _____

INDEBTEDNESS NOT DUE WITHIN A YEAR:

Chattel Mortgages due on merchandise _____

Chattel Mortgages due on other assets _____

Real Estate Mortgages _____

Other long term debt _____

TOTAL \$ _____

NET WORTH:

Monthly Sales Volume _____

% of Sales made on credit _____

% of Sales at retail _____

% of Sales at wholesale _____

% of Sales on time-payment plan _____

Peak season of year _____

Date of last physical inventory _____

Profit shown latest U. S. Income Tax Return _____

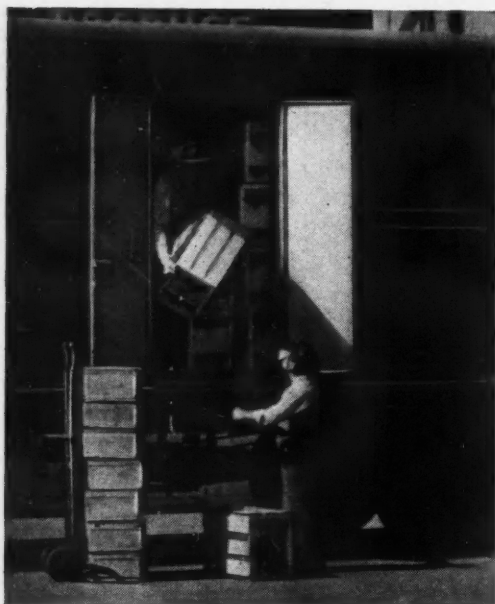
Our firm is financially able to meet any commitments we have made and we expect to pay your invoices according to your terms.

Name of Firm or Corporation _____

Street _____ City _____ Zone _____ State _____

Title _____ Signed by _____

PLEASE REFER TO THE OTHER SIDE OF THIS FORM WHICH IS A PART THEREOF.



Small customers...



become BIG customers

without increasing your risk...

through American Express field warehouse receipts.

Under properly administered field warehousing, you can ship large quantities of goods to distributors . . . and still retain control of these goods. Your company maintains manufacturing and transportation schedules . . . eliminates storage or use of costly warehouse facilities. For your distributors: a ready supply of merchandise, with transportation savings and without undue credit strains.

American Express Field Warehousing is recognized for efficient administration; monthly IBM* commodity reports; legal liability and fidelity bond protection; controlled releases; frequent inspections; and more.

For additional information, contact your nearest American Express office, or mail the coupon today.

*Registered Trademark of IBM Corporation

PLEASE SEND MY FREE COPY OF THE AMERICAN EXPRESS PLAN FOR SECURING THE DISTRIBUTION OF GOODS.

American Express Field Warehousing Corp.
Dept. F6, 65 Broadway, New York 6, N. Y.

Name _____

Title _____

Firm _____

Address _____

City _____ Zone _____ State _____

65 Broadway, New York 6, N. Y.

American Express Field Warehousing Corporation

Offices Nationwide

A member of the 110-year-old American Express family